



Planning Commission Agenda Report Meeting Date 11/03/2022

DATE: October 20, 2022

File: UP 22-06

TO: PLANNING COMMISSION

FROM: Kelly Murphy, Senior Planner, kelly.murphy@chicoca.gov, 530-879-6535

RE: Use Permit 22-06 (Embarc) – 185 Cohasset Road; APN 006-180-040 and -047

REPORT IN BRIEF

This is a request for use permit approval to establish a commercial cannabis storefront retailer use in the Community Commercial (CC) zoning district. The proposed storefront retailer would be located in an existing 2,280 square foot commercial building on the south side of Cohasset Road, east of the Esplanade (see **Attachment B**, Location Map and **Attachment C**, Site Plan).

Recommendation:

Staff recommends adoption of Resolution No. 22-06 (**Attachment A**), approving Use Permit 22-06 (Embarc), subject to the recommended conditions therein.

Proposed Motion

I move that the Planning Commission adopt Resolution 22-06, approving Use Permit 22-06 (Embarc), subject to the recommended conditions.

BACKGROUND

In September 2020, the Chico City Council approved ordinances amending Title 5 and creating Chapter 5.42 “Commercial Cannabis Businesses” of the Chico Municipal Code to regulate commercial cannabis uses within the City of Chico, and amending Chapter 19.75 “Cannabis Regulations” and the commercial, industrial, airport and TND land use tables in Chapters 19.44, 19.46, 19.48 and 19.80, respectively, to allow for commercial cannabis land uses in specified zoning districts.

Following the adoption of these ordinances, the Commercial Cannabis Storefront Retailer Permit application window for proposed storefront retailer businesses was opened for submissions from June 2, 2021, through July 16, 2021. The City Manager’s office received a total of 29 applications for storefront retailer businesses. Ultimately, three applicants received a “Notice of Selection” written by the City Manager following the fourth and final phase of the review and selection process and were issued a Commercial Cannabis Permit on August 30, 2022 (see **Attachment D**, Notice of Selection / Issued Cannabis Business Permit 21-00022).

In addition to a Commercial Cannabis Permit, storefront retailer uses are subject to a use permit to evaluate the site-specific features associated with the proposed use, including consistency with the City’s zoning regulations, parking requirements and general development standards.

DISCUSSION AND ANALYSIS

The project site is designated Commercial Mixed Use on the City’s General Plan Land Use Diagram and zoned CC-AOD (Community Commercial with Airport Overflight Zone D

overlay). The CC zoning district is applied to areas appropriate for a wide range of retail businesses. The CC zoning district is primarily intended to implement the Commercial Mixed Use land use designation of the General Plan.

Pursuant to Chico Municipal Code (CMC) 19.44.020, Table 4-6, a commercial cannabis storefront retailer use may be established in the CC zoning district subject to use permit approval.

Architectural Review

The proposed storefront retailer use would be established in an existing 2,280 square foot commercial building previously used as a restaurant. Tenant improvements would be made to the existing building; no new construction is proposed onsite. The project estimates a total of 26 employees, with one manager, an inventory specialist, a shift lead and between six to ten sales associates working per shift depending on the day of the week, time of day and volume of sales. The proposed operating hours are between 8:00AM to 9:00PM, seven days per week.

The project is consistent with land use, lot coverage, landscaping, building type, building height, and setback requirements for the CC zoning district. Vehicle access to the site is provided via two access driveways off Cohasset Road. A covered trash enclosure exists at the rear of the building interior to the site. At the time of tenant improvements, staff will conduct a staff level architectural review consistent with existing practice for minor improvements to existing buildings.

Parking

The number of required off-street parking spaces for the proposed storefront retailer use shall be consistent with the parking requirements for "Retail stores -- General Merchandise" per CMC Section 19.70.040, Table 5-4, and provide 1 space for each 250 sq. ft. of gross floor area and 1 space for each company vehicle.

The proposed storefront retailer use would occupy an existing building with a footprint of approximately 2,280 square feet in size, resulting in a minimum parking requirement of 9 off-street parking spaces (not including company vehicles). The total parking area provides 32 standard parking spaces, including one ADA space, satisfying the City's parking requirements.

Prior Review and Zoning Verification

All commercial cannabis land uses require issuance of a Commercial Cannabis Permit through the City Manager's office. As part of that permit process, which involved four phases of review, applicants were required to submit detailed plans for the safety, security, and operational characteristics of the proposed storefront retailer use, including the following:

- Business Plan
- Labor & Local Enterprise Plan
- Safety Plan
- Security Plan
- Neighborhood Compatibility Plan
- Community Benefits & Investments Plan

The Safety, Security and Neighborhood Compatibility Plans have been included with this report as **Attachments E, F and G**, respectively, for the Commission's review/reference.

Additionally, a zoning verification was conducted as part of the associated cannabis business permit to verify compliance with the location limitations for cannabis-related land uses established in CMC Section 19.75.120, which is also consistent with State requirements (see **Attachment H**, Zoning Verification and Analysis for CANNA 21-00022).

At the time of staff's analysis of the location proposed for the storefront retailer use, no known sensitive uses were identified within the minimum buffer distance of 1,000 feet from any property containing a school providing instruction in any grades six (6) through twelve (12), and 600 feet from any property containing a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities.

Consistency with the General Plan

The proposed project is consistent with various policies and actions in the General Plan, including Land Use (LU) Goals LU-2, LU-3 and LU-4; Community Design (CD) Goal CD-3; Economic Development (ED) Goal ED-1; and Safety Goal S-5.

Specifically, the project would be consistent with General Plan goals and policies which encourage Chico residents and visitors to support businesses that are located in the City of Chico (Policy ED-1.9). The Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) legalized cannabis for recreational use in 2016-2017. Since then, commercial cannabis in California has become a multi-billion-dollar industry and the largest legal cannabis market in the world. According to recent data from the State's Department of Tax and Fee Administration (CDTFA), adult-use taxable sales totaled roughly \$1.17 billion in the first quarter of 2022. Currently, Chico residents and visitors do not have the opportunity to purchase cannabis products locally and instead rely on delivery services from neighboring counties and cities. Establishing storefront retailers in Chico will gain the City some share in this market through the generation of sales tax.

As previously mentioned in this report, applicants for a Commercial Cannabis Permit were required to prepare and provide Safety and Security Plans for proposed sites and facilities which support the deterrence of crime through site planning and design, consistent with Safety Policy S-5.5 and Action S-5.5.1, as well as Community Design Policy CD-3.4, Action CD-3.4.1 and Action CD-3.4.2. These plans were reviewed by the Chico Police Department and meet State requirements.

The proposed use reflects a new commercial retail land use category that is limited to a total of three (3) establishments City-wide, thereby providing a mix and distribution of uses that meet the identified needs of the community (Goal LU-2). The proposed use would be located on a parcel designated Commercial Mixed Use and operate out of an existing commercial building. Both general and use specific operating standards have been required, ensuring land use compatibility with the surrounding area (Policy LU-2.4). Furthermore, the proposed use would be located in an area characterized by a variety of commercial retail and service uses, far enough away from existing single-family residential neighborhoods but proximal enough to be walkable or bikeable, and would provide a missing neighborhood retail element (Goal LU-3 and Policy LU-4.4).

ENVIRONMENTAL REVIEW

The project has been determined to be categorically exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15332 (In-Fill Development Projects). Consistent with this exemption, the project is: consistent with the applicable General Plan designation, zoning regulations, and General Plan policies; is less than five acres in size, substantially surrounded by urban uses; has no habitat value for special status species; will not result in any significant impacts regarding traffic, noise, air quality, or water quality; and can be adequately served by all required utilities and public services.

FINDINGS

Following a public hearing, the Planning Commission may approve a use permit application, with or without conditions, only if all of the following findings can be made:

Use Permit Findings

- A. *The proposed use is allowed within the subject-zoning district and complies with all of the applicable provisions of Chapter 19.24 (Use Permits).*

The proposed use would be located on a commercial site designated Commercial Mixed Use on the General Plan land use diagram and zoned CC-AOD. Pursuant to CMC Section 19.44.020, Table 4-6, a commercial cannabis storefront retailer may be permitted in the CC zoning district subject to the issuance of a use permit. This use permit was processed in compliance with 19.24.

- B. *The proposed use would not be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the proposed use.*

The project site is a commercial mixed-use area comprised of a variety of commercial retail and service uses along the Cohasset Road frontage, with residential uses present further south and west of the Esplanade. The zoning verification conducted as part of the associated commercial cannabis permit (CANNA21-00022) verified compliance with the location limitations for storefront retailers established in CMC Section 19.75.120. At the time of staff's analysis, no sensitive uses were identified within the minimum buffer distance of "1,000 feet from any property containing a school providing instruction in any grades six (6) through twelve (12), and 600 feet from any property containing a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities".

Furthermore, operation of the proposed storefront retailer in accordance with the general and specific standards established in CMC Section 19.75.130 and 19.75.140, as well as the applicant's Safety, Security and Neighborhood Compatibility Plans will ensure that a storefront retailer use at this location would not have detrimental effects on the surrounding neighborhood.

- C. *The proposed use will not be detrimental and/or injurious to property and improvements in the neighborhood of the proposed use, as well as the general welfare of the City.*

The proposed storefront retailer use would be contained entirely within an existing commercial retail building and would operate similarly to other existing retail uses subject to use-specific standards, such as liquor stores. Commercial cannabis storefront retailer uses involve the sale of a variety of cannabis related products for off-site consumption to customers over the age of 21 possessing valid ID. Commercial cannabis storefront retailers have limited hours of operation (8:00AM to 9:00PM) and are dually licensed by a state regulatory agency, the California Department of Cannabis Control (DCC), in the same way that the sale of liquor is regulated by the California Department of Alcoholic Beverage Control (ABC). The proposed use is not anticipated to have any detrimental effects on property or improvements in the area.

- D. *The proposed use will be consistent with the policies, standards, and land use designations established by the General Plan.*

The proposed storefront retailer use would be compatible with the underlying General Plan designation and zoning district and operate similarly to other existing retail businesses subject to use-specific standards such as a liquor store, which is a principally permitted land use in the CC zone. The proposal is consistent with various policies and actions under Land Use (LU) Goals LU-2, LU-3 and LU-4; Community Design (CD) Goal CD-3; Economic Development (ED) Goal ED-1; and Safety Goal S-5.

Specifically, the project would be consistent with General Plan goals and policies which encourage Chico residents and visitors to support businesses that are located in the City of Chico (Policy ED-1.9). The preparation and provision of safety and security plans support the deterrence of crime through site planning and design, consistent with Safety Policy S-5.5 and Action S-5.5.1, as well as Community Design Policy CD-3.4, Action CD-3.4.1 and Action CD-3.4.2.

The proposed use reflects a new commercial retail land use category that is limited to a total of three (3) establishments City-wide, thereby providing a mix and distribution of uses that meet the identified needs of community (Goal LU-2). Both general and use specific operating standards have been required, ensuring land use compatibility with the surrounding area (Policy LU-2.4). Furthermore, the proposed use would be established in an area characterized by a variety of commercial retail and service uses, located far enough away from existing single family residential neighborhoods, but proximal enough to be walkable or bikeable, and would provide a missing neighborhood retail element (Goal LU-3 and Policy LU-4.4).

- E. *The design, location, size, and operating characteristics of the proposed use are compatible with the existing and future land uses in the vicinity.*

The proposed use is compatible with the surrounding mixed-use environment. The storefront retailer would be located within an existing commercial building similar in design, size and operating characteristics as other single-story retail and restaurant buildings along Cohasset Road.

No new construction is proposed onsite. The building architecture and site improvements including lighting, landscaping, parking have previously been found

consistent with land use, lot coverage, building type, building height, and setback requirements for the CC zoning district.

PUBLIC CONTACT

A notice was published in the Chico Enterprise Record 10 days prior to the meeting date, and notices were mailed out to all property owners and tenants within 500 feet of the project site. Similar noticing took place as part of the City Manager's Commercial Cannabis Permit process. As of this report's publication, staff has not received any public comments.

DISTRIBUTION:

Internal (2)
Kelly Murphy, Senior Planner
Brendan Vieg, CDD Director

External (1)
Responsible and Compliant Retail Chico LLC (dba Embarc), Attn: *Dustin Moore*,
185 Cohasset Road, Chico, CA 95926, Email: Dustin@goembarc.com

ATTACHMENTS:

- A. Resolution 22-06
 Exhibit I – Conditions of Approval
- B. Location Map
- C. Site Plan to Accompany Use Permit 22-06 (Embarc)
- D. CANNA 21-00022 Notice of Selection and Conditions of Approval
- E. CANNA 21-00022 Safety Plan
- F. CANNA 21-00022 Security Plan
- G. CANNA 21-00022 Neighborhood Compatibility Plan
- H. CANNA 21-00022 Zoning Verification Letter and Analysis

RESOLUTION NO. 22-06
RESOLUTION OF THE CITY OF CHICO PLANNING COMMISSION
APPROVING USE PERMIT 22-06
(EMBARC)

WHEREAS, an application has been submitted for a Use Permit to establish a commercial cannabis storefront retailer use in the Community Commercial (CC) zoning district on the south side of Cohasset Road, east of Esplanade (APNs 006-180-040 and 006-180-047); and

WHEREAS, the Planning Commission considered the staff report and comments submitted at a noticed public hearing held on November 3, 2022; and

WHEREAS, the Project has been determined to be categorically exempt under Section 1.40.220 of the Chico Municipal Code (CMC) and pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15332 (In-Fill Development Projects).

NOW THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF CHICO AS FOLLOWS:

1. With regard to the Use Permit, the Planning Commission finds that:
 - A. The proposed use would be located on a commercial site designated Commercial Mixed Use on the General Plan land use diagram and zoned CC-AOD. Pursuant to CMC Section 19.44.020, Table 4-6, a commercial cannabis storefront retailer may be permitted in the CC zoning district subject to the issuance of a use permit. This use permit was processed in compliance with 19.24; and
 - B. The proposed use would not result in adverse impacts to the health, safety, or welfare of persons residing or working in the neighborhood. The project site is a commercial mixed-use area comprised of a variety of commercial retail and service uses along the Cohasset Road frontage, the Cohasset Road frontage, with residential uses present further south and west of the Esplanade. The zoning verification conducted as part of the associated commercial cannabis permit (CANNA21-00022) verified compliance with the location limitations for storefront retailers established in CMC Section 19.75.120. At the time of staff's analysis, no sensitive uses were identified within the minimum buffer distance of

1 “1,000 feet from any property containing a school providing instruction in any grades six
2 (6) through twelve (12), and 600 feet from any property containing a school providing
3 instruction in kindergarten or any grades one (1) through five (5), a day care center, or a
4 youth center with primary youth center activities”. Furthermore, operation of the proposed
5 storefront retailer in accordance with the general and specific standards established in CMC
6 Section 19.75.130 and 19.75.140, as well as the applicant’s Safety, Security and
7 Neighborhood Compatibility Plans will ensure that a storefront retailer use at this location
8 would not have detrimental effects on the surrounding neighborhood; and

9 C. The proposed storefront retailer use is not anticipated to have any detrimental effects on
10 property or improvements in the area. The proposed use would be contained entirely within
11 an existing commercial retail building and would operate similarly to other existing retail
12 uses subject to use-specific standards, such as liquor stores. Commercial cannabis
13 storefront retailer uses involve the sale of a variety of cannabis related products for off-site
14 consumption to customers over the age of 21 possessing valid ID. Commercial cannabis
15 storefront retailers have limited hours of operation (8:00AM to 9:00PM) and are dually
16 licensed by a state regulatory agency, the California Department of Cannabis Control
17 (DCC), in the same way that the sale of liquor is regulated by the California Department
18 of Alcoholic Beverage Control (ABC); and

19 D. The proposed storefront retailer use would be compatible with the underlying General Plan
20 designation and zoning district, and operate similarly to other existing retail businesses
21 subject to use-specific standards such as a liquor store, which is a principally permitted
22 land use in the CC zone. The proposal is consistent with various policies and actions under
23 Land Use (LU) Goals LU-2, LU-3 and LU-4; Community Design (CD) Goal CD-3;
24 Economic Development (ED) Goal ED-1; and Safety Goal S-5. Specifically, the project
25 would be consistent with General Plan goals and policies which encourage Chico residents
26 and visitors to support businesses that are located in the City of Chico (Policy ED-1.9).
27 The preparation and provision of safety and security plans support the deterrence of crime
28 through site planning and design, consistent with Safety Policy S-5.5 and Action S-5.5.1,

1 as well as Community Design Policy CD-3.4, Action CD-3.4.1 and Action CD-3.4.2. The
2 proposed use reflects a new commercial retail land use category that is limited to a total of
3 three (3) establishments City-wide, thereby providing a mix and distribution of uses that
4 meet the identified needs of community (Goal LU-2). Both general and use specific
5 operating standards have been required, ensuring land use compatibility with the
6 surrounding area (Policy LU-2.4). Furthermore, the proposed use would be established in
7 an area characterized by a variety of commercial retail and service uses, located far enough
8 away from existing single family residential neighborhoods, but proximal enough to be
9 walkable or bikeable, and would provide a missing neighborhood retail element (Goal LU-
10 3 and Policy LU-4.4); and

11 E. The proposed use is compatible with the surrounding mixed-use environment. The
12 storefront retailer would be located within an existing commercial building similar in
13 design, size and operating characteristics as other single-story retail and restaurant
14 buildings along Cohasset Road. No new construction is proposed onsite. The building
15 architecture and site improvements including lighting, landscaping, parking have
16 previously been found consistent with land use, lot coverage, building type, building
17 height, and setback requirements for the CC zoning district.

18 2. Based on all the above, the Planning Commission hereby approves Use Permit 22-06 (Embarc)
19 subject to the conditions set forth in Exhibit I attached hereto.

20 3. The Planning Commission hereby specifies that the materials and documents which constitute
21 the record of proceedings upon which its decision is based are located at and under the custody
22 of the City of Chico Community Development Department.

23 //
24 //
25 //
26 //
27 //
28 //

1 THE FOREGOING RESOLUTION WAS ADOPTED by the Planning Commission of the
2 City of Chico at its meeting held on November 3, 2022, by the following vote:

3
4 AYES:

5 NOES:

6 ABSENT:

7 ABSTAINED:

8 DISQUALIFIED:

9
10 ATTEST:

APPROVED AS TO FORM:

11
12 _____
13 Bruce Ambo
14 Planning Commission Secretary

15 _____
16 Vincent C. Ewing, City Attorney*

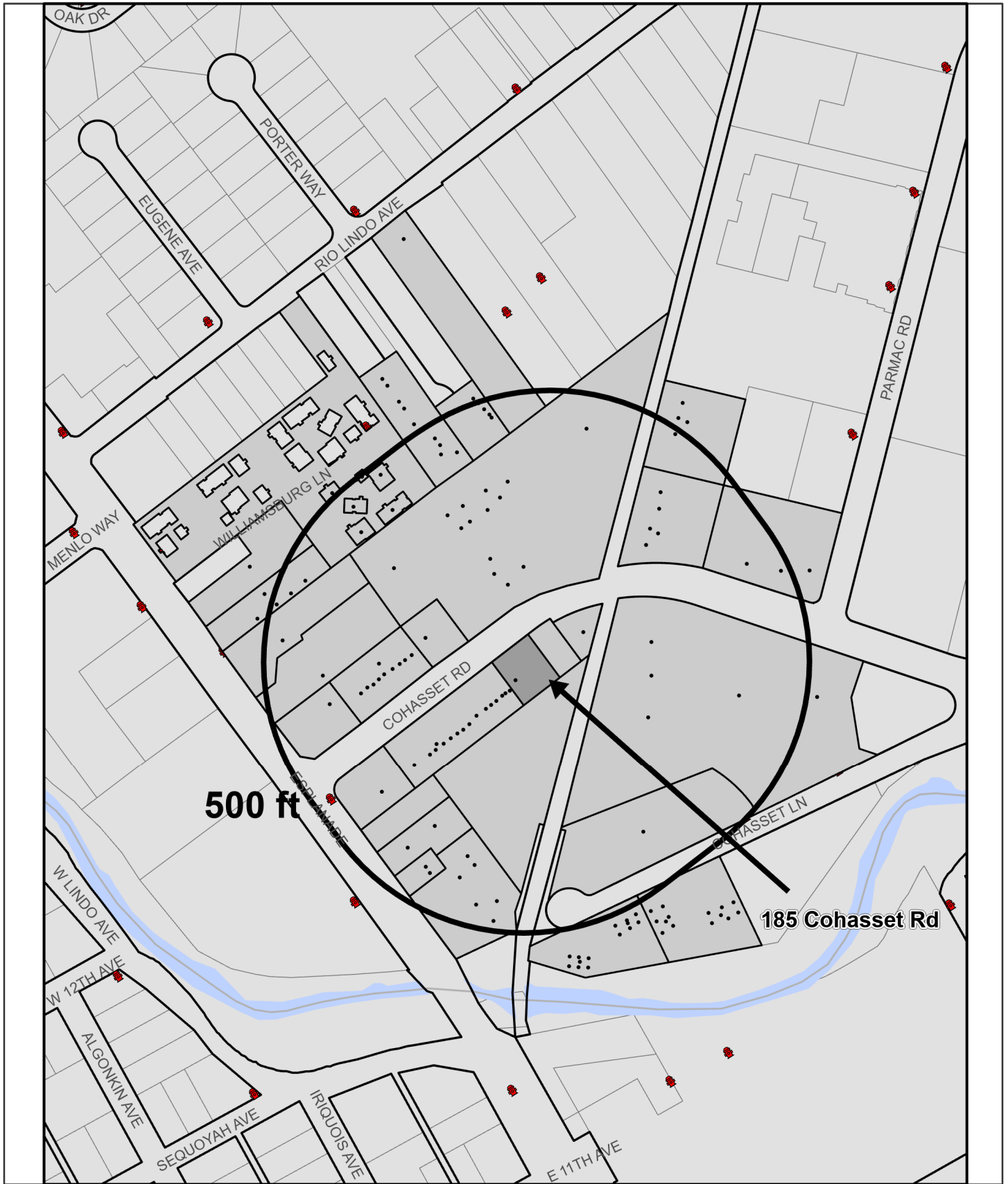
17 *Pursuant to The Charter of
18 the City of Chico, Section 906(E)

EXHIBIT I
CONDITIONS OF APPROVAL
Use Permit 22-06 (Embarc)

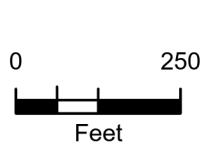
1. Use Permit 22-06 (Embarc) authorizes a commercial cannabis storefront retailer use, in general accord with the "Site Plan to Accompany Use Permit 22-06 (Embarc)" and in compliance with all other conditions of approval.
2. The permittee shall comply with all other State and local Code provisions, including those of the Building Division, Public Works Department, Fire Department, Butte County Environmental Health, and the California Department of Cannabis Control (DCC). The permittee is responsible for contacting these offices to verify the need for permits.
3. The proposed commercial cannabis storefront retailer use shall be operated in compliance with the general and specific standards set forth in CMC Section(s) 19.75.130 and 19.76.140.
4. The applicant shall defend, indemnify, and hold harmless the City of Chico, its boards and commissions, officers and employees against and from any and all liabilities, demands, claims, actions or proceedings and costs and expenses incidental thereto (including costs of defense, settlement and reasonable attorney's fees), which any or all of them may suffer, incur, be responsible for or pay out as a result of or in connection with any challenge to or claim regarding the legality, validity, processing or adequacy associated with: (i) this requested entitlement; (ii) the proceedings undertaken in connection with the adoption or approval of this entitlement; (iii) any subsequent approvals or permits relating to this entitlement; (iv) the processing of occupancy permits and (v) any amendments to the approvals for this entitlement. The City of Chico shall promptly notify the applicant of any claim, action or proceeding which may be filed and shall cooperate fully in the defense, as provided for in Government code section 66474.9.

Exhibit I

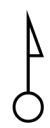
Attachment A



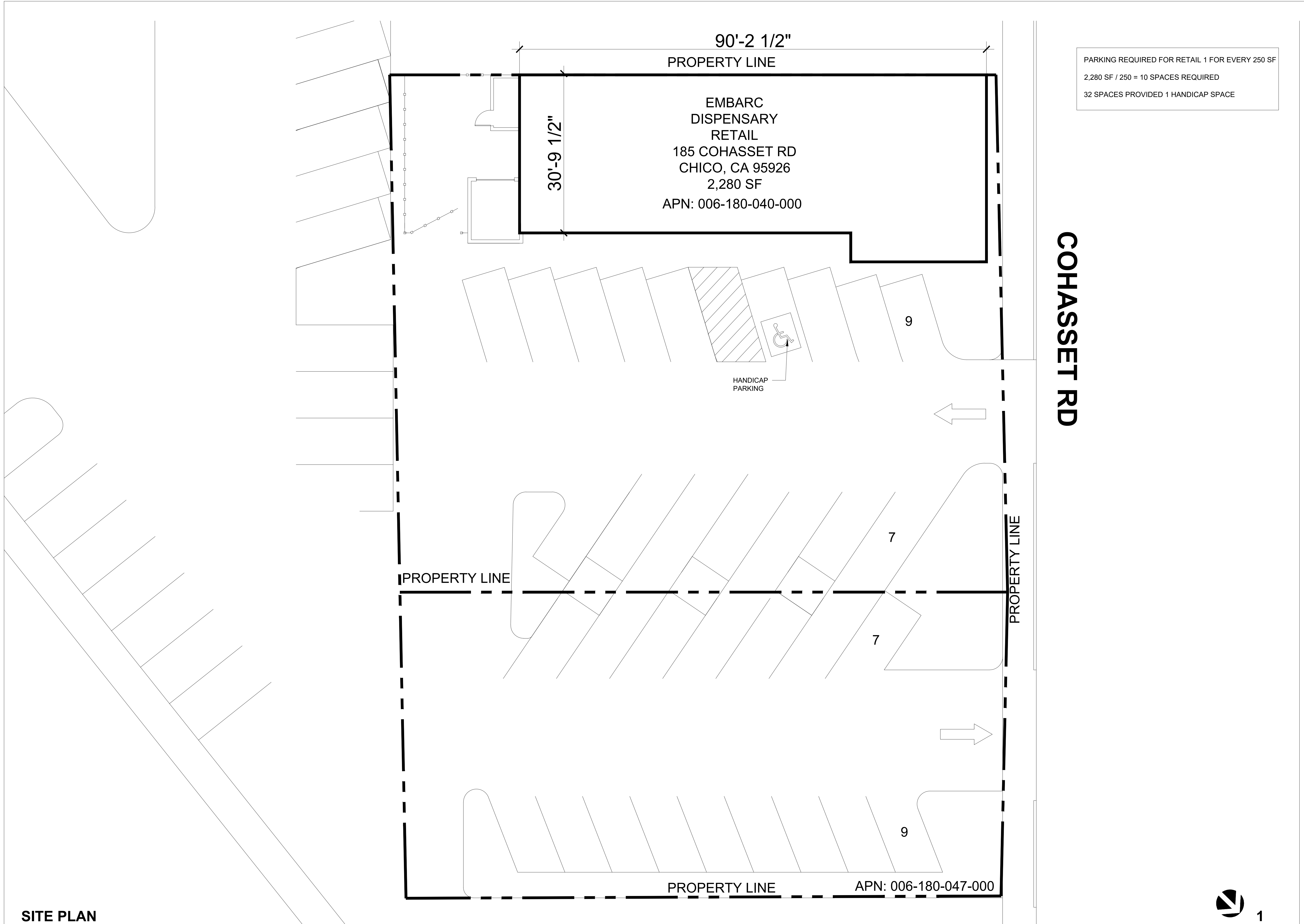
UP 22-06 (Embarc)
 185 Cohasset Road
 APNs 006-180-040 and
 006-180-047



Noticed Parcels
 Noticed Addresses



Date Saved:



PARKING REQUIRED FOR RETAIL 1 FOR EVERY 250 SF
 2,280 SF / 250 = 10 SPACES REQUIRED
 32 SPACES PROVIDED 1 HANDICAP SPACE

COHASSET RD

SITE PLAN
 SCALE: 1/8" = 1'-0"

DESIGN:
 Temeka Group
 9073 Pulsar Ct. Suite B
 Corona, CA 92883
 951-538-2462
 www.temekagroup.com

PRELIMINARY PLANS
EMBARC DISPENSARY
185 COHASSET RD
CHICO, CA 95926

07.10.2021

SHEET
SITE PLAN

A1
 Attachment C



KM Architecture, Inc.
A Full Service Architectural Practice

PO BOX 646
SHINGLE SPRINGS, CA 95682
(530) 344-4073

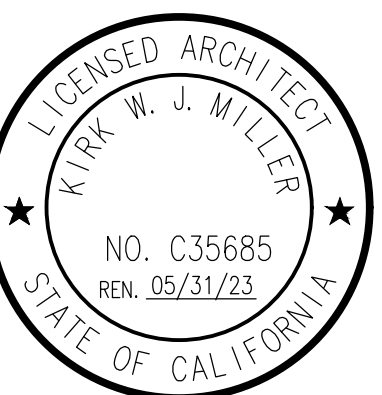
EMBARC, CHICO
TENANT IMPROVEMENTS

185 COHASSET RD
CHICO, CA 95926

**CONSTRUCTION
DOCUMENTS**

APN:
006-180-040, 047

Project Manager
KIRK MILLER
Project Architect
KIRK MILLER
Scale
AS NOTED
Date
10/15/2022
Project Number
20112.11



This drawing is not final or to be used for construction until the Architect's or Engineer's seal and signature appear above.

SHEET TITLE

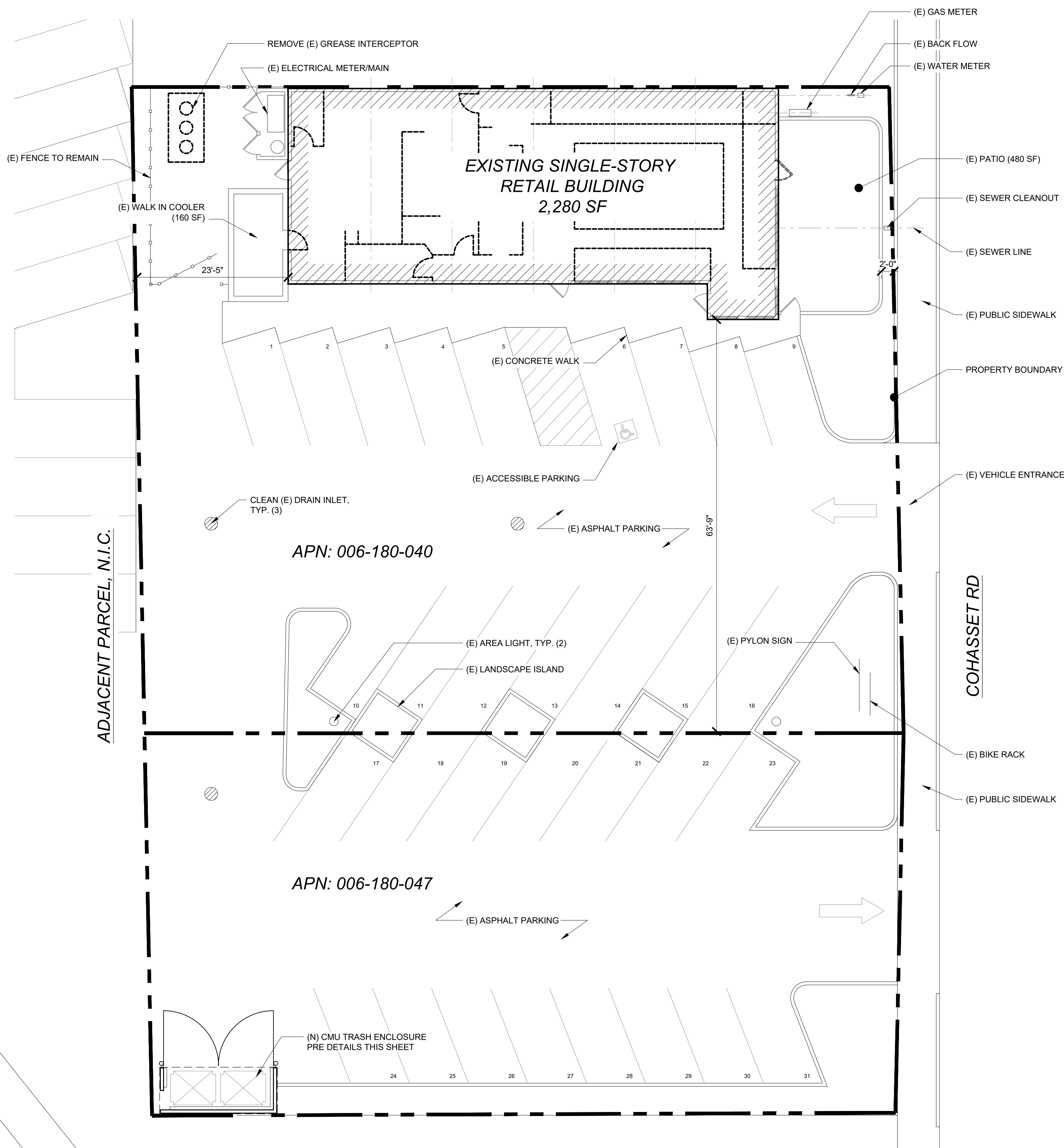
EXISTING SITE PLAN

MARK	DESCRIPTION	DATE
PERMIT SUBMISSION		10/15/2022

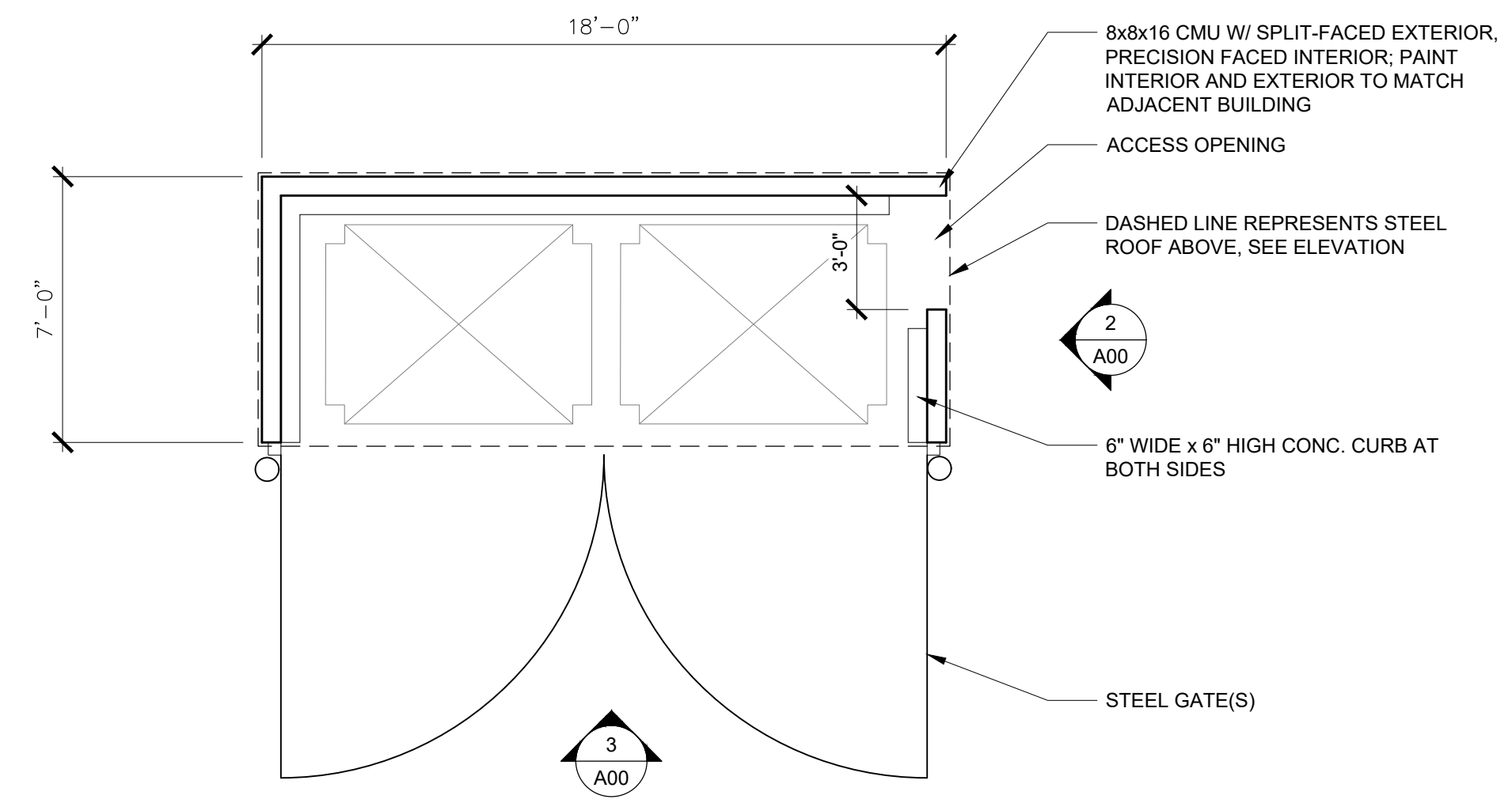
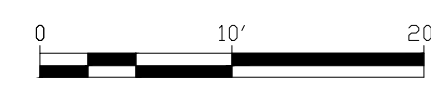
SHEET NO.

A00

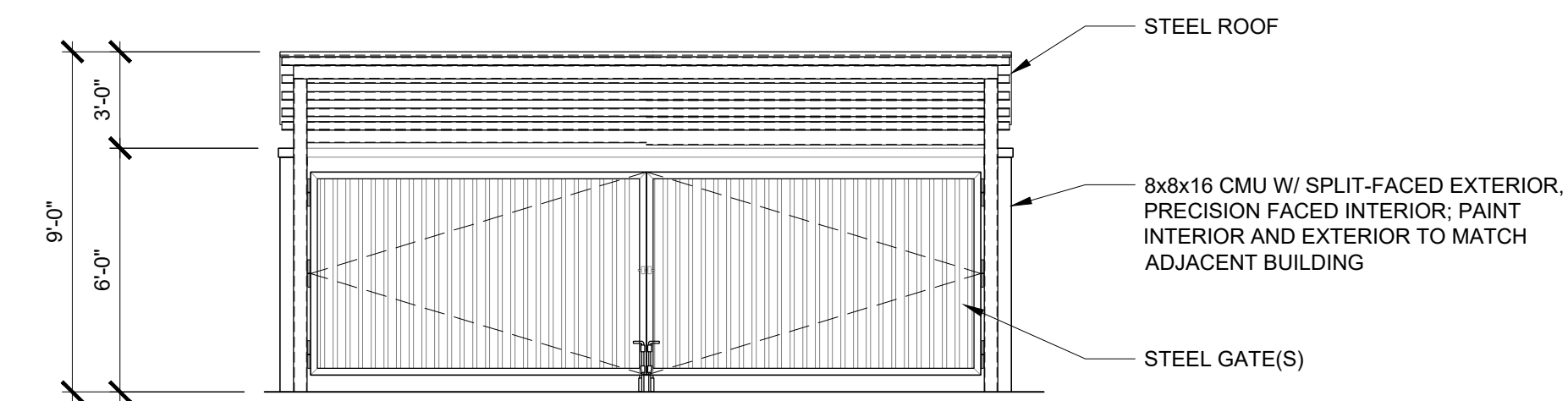
ALL DRAWINGS AND WRITTEN MATERIAL APPEARING HEREIN CONSTITUTE ORIGINAL AND UNPUBLISHED WORK OF KM ARCHITECTURE, INC. AND MAY NOT BE DUPLICATED WITHOUT WRITTEN CONSENT OF KM ARCHITECTURE, INC.



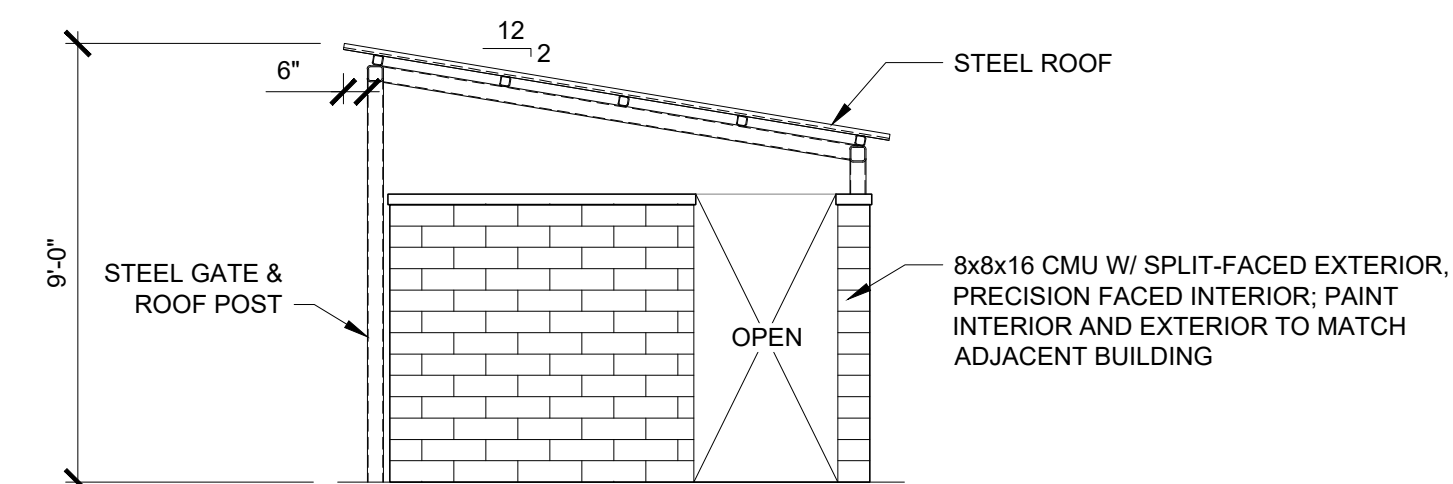
1 EXISTING SITE PLAN
SCALE: 1" = 10'-0"



4 TRASH ENCLOSURE PLAN
SCALE: 1" = 10'-0"



3 TRASH ENCLOSURE PLAN
SCALE: 1" = 10'-0"



2 TRASH ENCLOSURE PLAN
SCALE: 1" = 10'-0"



OFFICE OF THE CITY MANAGER

411 Main Street – 3rd Floor (530) 896-7200
P.O. Box 3420 Fax (530) 895-4825
Chico, CA 95927 <http://www.ci.chico.ca.us>

August 30, 2022

Responsible and Compliant Retail Chico LLC
Attn: Lauren Carpenter
1201 K St., Ste 920
Sacramento, CA 95814

Re: Commercial Cannabis Storefront Retailer Application CANNA 21-00022

Dear Ms. Carpenter,

The City of Chico approved the above-referenced project, subject to the enclosed conditions of approval. CANNA 21-00022 is approved for operation of a 2,280 square foot Commercial Cannabis Storefront Retail use located at 185 Cohasset Road (APN# 006-180-040-000).

Please sign and return the attached conditions of approval to the City Manager's Office. By signing the conditions of approval, you are acknowledging and agreeing to be in full compliance with all conditions prior to the start of business.

This approval and/or the conditions of approval may be appealed to the City Council by an applicant or interested party. The appellant must file a written appeal with the City Clerk's Office within ten calendar days of the decision. The written appeal shall specify the person making the appeal, the action being appealed, the reason for the appeal, and include any supporting information or documentation.

If you have any questions, please feel free to contact me at angie.dilg@chicoca.gov or at the phone number below.

Sincerely,



Angie Dilg
Management Analyst
City of Chico
(530) 896-7202

Attachment (Conditions of Approval)

Attachment D

**CITY OF CHICO
COMMERCIAL CANNABIS PERMIT
CONDITIONS OF APPROVAL**

Responsible and Compliant, LLC

Commercial Cannabis Storefront Retail Permit CANNA 21-00022 authorizes operation of a 2,280 square foot Commercial Cannabis Storefront Retail use at 185 Cohasset Road (APN# 006-180-040-000).

Below are the conditions of approval associated with approval of Permit CANNA 21-00022:

General Requirements

Regulations and Requirements

The Commercial Cannabis Storefront Retail Business is subject to all applicable State, County, Chico Municipal Code (CMC), and local regulations. Below is a summary of the general and use-specific operating standards and requirements for a Commercial Cannabis Storefront Retailer use from CMC Sections 5.42 and 19.75. Please review both ordinances in their entirety to ensure a complete understanding of the Chico’s Commercial Cannabis rules and regulations. You will be held to the standards as stated in the CMC. The commercial cannabis use is subject to any future amendments to the CMC.

Per the City’s Municipal Code (Section 19.75.130), all commercial cannabis uses shall be operated in compliance with the following general standards:

- A. Permit Required:** All commercial cannabis businesses shall obtain and maintain a Commercial Cannabis Permit issued by the City of Chico pursuant to Title 5.42.
- B. Compliance with City, Local and State Laws.** All commercial cannabis businesses shall comply with the standards set by State law, regulations and policies, and all city codes and resolutions, as well as any applicable requirements of the County of Butte.
- C. Access Limited.** For all commercial cannabis businesses, the general public is only allowed to access those areas of the premises which are identified in the site plan included with the Commercial Cannabis Permit as being open to public access. Only agents, applicants, managers, employees, and volunteers of the commercial cannabis permittee and agents or employees of the City, or other governmental agency are allowed in non-public access areas.
- D. Hours of Operation:** Manufacturers, distributors and testing laboratories may only accept commercial traffic to and from the premises between 8:00 a.m. and 7:00 p.m., unless zoning regulations specify more restrictive hours.
- E. On-site Consumption Prohibited:** Cannabis shall not be consumed by anyone on the premises in any form at any commercial cannabis business, unless explicitly authorized by a City ordinance, resolution, rule, regulation and/or pursuant to explicit terms of a Commercial Cannabis Permit, or City-approved Conditional Use Permit or Development Agreement.
- F. Visibility:** No manufacturing process, testing methodology, storage, or loading/unloading cannabis or cannabis products, shall be visible from the exterior of any premises issued a

Commercial Cannabis Permit. No cannabis or cannabis products shall be visible on part of any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

G. Inventory Tracking: Each commercial cannabis business shall have in place and at all times of operation of the business operate a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or designee prior to being used by the permittee and be the same system as specified in their commercial cannabis business permit.

H. Compliance with California Law: All cannabis and cannabis products sold, tested, distributed, or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State of California and local regulations. All activities related to the purchase, sales, delivery, distribution, cultivation, testing, and manufacture of cannabis or cannabis products shall be conducted in conformity with state law.

I. Contact Information: Each commercial cannabis business shall provide the City Manager with the name, telephone number (both landline and mobile) of an on-site manager or owner to whom emergency notice may be provided at any hour of the day.

J. Signage and Notices:

a. In addition to the requirements otherwise set forth in this section, or as a term or condition imposed in a Use Permit, business identification signage for a commercial cannabis business shall conform to the requirements of state law and the City of Chico City Code, including, but not limited to, the requirements for a City sign permit, or applicable zoning laws regulating signs.

b. Each commercial cannabis business premises shall be visibly posted with clear and legible notices indoors indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

K. Age Restrictions:

a. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business except as allowed under California law.

b. Persons under the age of twenty-one (21) years shall not be allowed to serve as a driver for a delivery service, except as allowed under California law pertaining to sales of cannabis for medicinal use.

c. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

L. Odor Control.

a. Odor control devices and techniques shall be incorporated as needed in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site.

b. Commercial cannabis businesses shall provide a sufficient odor control devices and techniques, including but not limited to an odor absorbing ventilation and exhaust system

utilizing air scrubbers or charcoal filtration systems, so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, at any adjoining use of the property not part of the commercial cannabis premises, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business.

c. Commercial cannabis businesses shall install and maintain the following equipment, or other equipment which the City Engineer or Public Works Director or Building Official determines is a more effective method or technology, to address such odor control:

- i. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
- ii. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

d. All exhaust ventilation equipment is required to be appropriate for the use involved and must comply with the California Fire and Mechanical codes.

M. Display of Permit and City Business Tax Certificate. The original copy of the Commercial Cannabis Permit issued by the City pursuant to this Chapter, the City issued business license, and the state-issued Seller's Permit, shall be posted inside the commercial cannabis business in a location readily visible to any City, County or State employee, official, or agent authorized to enforce the City's Code, or applicable cannabis-related laws.

N. Loitering Prohibited. The permittee of a commercial cannabis business shall prohibit loitering by persons outside on the premises and is required to enforce same within its premises and adjacent public areas, including cooperating with the City's law enforcement agency dispatched to enforce same. The placement and use of no loitering signage shall be included as part of any application submittal and depicted on a business or operational plan.

O. Permits and other Approvals. Prior to the operation of a commercial cannabis business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits and approvals from the relevant City or County department or division which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

P. Adherence to Operating Procedures. Permittees shall adhere to all applicable operating procedures, including those submitted as part of the initial application process, and pursuant to those established in applicable State of California laws, regulations, and policies.

Q. Compliance with Disability Regulations. This Chapter does not exempt a commercial cannabis business from complying with all applicable local, State and federal laws and regulations pertaining to persons with disabilities.

R. Non-Discrimination. No commercial cannabis business may discriminate or exclude patrons in violation of local, State and federal laws and regulations.

S. Contact Information. Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial

cannabis business shall also provide this information to all businesses and residences located within 300 feet of the commercial cannabis business.

T. Coordination Meetings. The owner, manager, and community relations representative from each commercial cannabis business holding a Commercial Cannabis Permit shall, if requested by the City Manager or designee, attend a quarterly meeting with the interested parties to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter.

U. Security Plan: Each business shall maintain on file with the City a security plan.

V. Restriction on Alcohol and Tobacco Sales, Dispensing or Consumption: No person shall cause, allow, or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises of a commercial cannabis business, except as allowed under state law.

W. Restriction of On-site on Consumption: No person shall cause, allow, or permit the consumption of cannabis on-site of any commercial cannabis business.

Per the City's Municipal Code (Section 19.75.140), Cannabis Dispensaries shall operate in compliance with the following use-specific standards:

A. On-site Supervision: All commercial cannabis storefront retailers shall have a manager on the premises at all times during hours of operation.

B. Delivery Services. Storefront retailers also providing delivery shall comply with the operational requirements pertaining to Retailer - Delivery Only businesses in Section 19.75.150.

C. Site Access. Entrances into the retailer storefront shall be controlled at all times with either security personnel or electronic/mechanical entry system. Adult use storefront retailers without medicinal cannabis sales shall verify the age of all customers to ensure persons under the age of 21 are not permitted on the premises. Adult use medicinal sales storefront retailers shall verify the age and possession of valid doctor's recommendation of all customers to ensure persons under the age of 18 are not permitted on the premises.

D. Medicinal Cannabis.

a. Commercial cannabis storefront retailers selling medicinal cannabis shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation;

b. Verify the identity and age of the qualified patient, primary caregiver, or customer receiving cannabis or cannabis products from the delivery only retailer; and

c. If a medicinal cannabis transaction,

i. Verify the validity of the qualified patient's recommendation from a physician to use cannabis for medicinal purposes or primary caregiver's status as a primary caregiver for the particular qualified patient, and

ii. Maintain a copy of the physician recommendation or Identification Card, as described in Health and Safety Code Sections 11362.71 through 11362.77, as may be amended from time to time, at its permitted business location for a period of not less than seven (7) years.

E. Physician Evaluations Prohibited: No physician shall be allowed at any time to evaluate patients or customers for the issuance of a medicinal cannabis recommendation or medicinal cannabis identification card where applicable.

F. Complimentary Promotions Prohibited. A non-medicinal cannabis storefront retailer may not give away, or donate specific devices, contrivances, instruments, or paraphernalia necessary for consuming cannabis products, including, but not limited to, rolling papers and related tools, pipes, water pipes, and vaporizers. A storefront retailer may not give away samples or cannabis products free of charge.

G. Required Notifications. All cannabis storefront retailers shall notify qualified patients, primary caregivers, and customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state the following:

- a. "The sale or diversion of cannabis or cannabis products without a permit issued by the City of Chico is a violation of State law and the Chico City Code."
- b. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."
- c. "Patrons must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
- d. "Warning: the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
- e. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis- derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

H. Location of Products. All cannabis concentrate inhaled products, including but not limited to, dabs, shatter, budder, wax, and butane hash oil, shall be stored behind the retail counter and out of the reach of customers at all times except when being handled by an employee during a sales transaction.

I. Added Artificial Flavor Prohibited. Retailers shall not sell cannabis products which contain an added characterizing flavor. For purposes of this Chapter, "characterizing flavor" means a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during consumption. This includes, but is not limited to, tastes or aromas relating to food or drink of any sort; menthol; mint; wintergreen; fruit; chocolate; vanilla; honey; candy; cocoa; dessert; alcoholic beverages; herbs; or spices. Flavor agents consisting of terpenes of cannabis shall not be considered an added characterizing flavor. Such prohibition shall not apply to cannabis products which are manufactured as edible or topical products.

J. Educational Materials. A cannabis storefront retailer shall provide written educational materials to all customers:

- a. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.
- b. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include information on safe storage and use of the product, warnings against child access and exposure to the product, and warnings of potential side effects concerning brain development of individuals under the age of twenty-five years and potential harm to pregnant women.

K. Training Required: A cannabis storefront retailer shall require all employees who interact with public customers, as well as all management staff, to complete training to ensure competency of employees for their assigned functions within the first year of the retailers' first year of operation, and within one year of each employee's hire date thereafter. The retailer shall

maintain records showing completion of each employee's training for a period of two years and provide such records to the City Manager or his/her designee upon request.

Per the City's Municipal Code (Section 5.42) all commercial cannabis uses shall be operated in compliance with the following standards:

5.42.100 Commercial cannabis permit required.

A. Prior to engaging in any commercial cannabis activity, one must obtain a Commercial Cannabis Permit. The initial permit and annual renewal of an authorized and lawful commercial cannabis permit is made expressly contingent upon the commercial cannabis business' ongoing compliance with all requirements of State law, this chapter, the City of Chico City Code, any local regulations adopted by the City governing the commercial cannabis business at issue, the securing and approval of a Use Permit (when required pursuant to Title 19 of the Chico Municipal Code), and any required approval, permit or license required by any applicable local or State law, rules, or regulations.

B. No person may engage in, conduct, authorize, establish, or operate a commercial cannabis business, or cause, allow, or permit same, within the City of Chico unless and until the following are obtained, complied with, adhered to, and fulfilled:

1. A Commercial Cannabis Permit has been approved by the City, pursuant to the City's laws, rules, policies, and regulations, as applicable, as same may be amended from time to time; and
2. Zoning clearance issued by the Community Development Director, including where applicable, issuance of a Conditional Use Permit; and
3. A City business license issued by the Finance Department authorizing the business operation of a commercial cannabis business; and
4. A valid State of California Seller's Permit or other valid State of California license or permit for the applicable type of commercial cannabis business at issue has been obtained; and
5. Permittee is currently in compliance with all applicable state and local laws and regulations pertaining to engaging in, conducting or operating a commercial cannabis business and commercial cannabis activities, including the duty to first obtain any required State licenses pursuant to MAUCRSA and applicable regulations; and
6. Permittee is currently in compliance with any and all applicable state and local laws and regulations pertaining to the occupancy of the premises for the City-approved commercial cannabis business operation, including any and all applicable building and fire code provisions; and
7. Prior to operating in the City and as a condition of issuance of a regulatory permit, operator of each cannabis facility shall execute an indemnity agreement with the City of Chico and an acknowledgement of limitations on City's liability, certifications, assurances, and warranties.

C. Applicant shall be responsible for all fees and noticing obligations required for processing all permits.

5.42.105 Evidence of cannabis employee background check required.

A. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorize City authorities to access state and local criminal history information for cannabis employment, licensing, or certification purposes, summary criminal history information for cannabis employment, licensing, or certification purposes, and authorize access to federal level criminal

history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every applicant for a Certificate of Approval (including owners and other representatives of the applicant) and every person to be employed at the facility must submit fingerprints and other information deemed necessary by the Chief of Police or their designee(s) for a background check by the Chico Police Department. A fee for the cost of the background investigation, which shall be the actual cost to the City of Chico to conduct the background investigation as it deems necessary and appropriate, including City staff time and costs, shall be paid at the time the person submits for the background check.

B. The criminal background check must at a minimum identify the following:

1. Whether the individual applying for cannabis employment has ever been convicted of a violent felony as defined by California Penal Code 667.5, or equivalent offenses in other states;
2. Whether the individual applying for cannabis employment has ever been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code Sections 186.11, 470, 484, and 504a, respectively; or equivalent offenses in other states; or
3. Whether the individual applying for cannabis employment has ever been convicted of the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, not including cannabis-related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

C. Evidence of a conviction of any the offenses enumerated in Section 5.42.105(b) shall be grounds for denial of employment.

D. Violation of this section shall be grounds for immediate suspension of the business' operating permit. The business operator shall have the right to an appeal pursuant to Section 5.42.160.

5.42.130 Expiration, renewal, revocation, and suspension of commercial cannabis permits.

Each Commercial Cannabis Permit issued pursuant to this chapter shall expire one (1) year after the date of its issuance. The City Council shall establish by resolution procedures for the renewal, revocation, and suspension of Commercial Cannabis Permits.

5.42.140 Effect of license or permit expiration, suspension, revocation, or termination.

A. Expiration, suspension or revocation of a license, permit or entitlement issued by the State of California related to a commercial cannabis business shall be grounds for immediate suspension of a commercial cannabis business to operate within the City, unless and until such license, permit or entitlement is reinstated or reissued.

1. Permittee shall notify the City Manager in writing within forty-eight (48) hours of any suspension, revocation, or termination of a license issued by the State of California, or by any of its departments or divisions.

2. Should the State of California, or any of its departments, divisions, or agencies, suspend, revoke or terminate the license of a commercial cannabis business operating in the City, such suspension, revocation or termination, the City Manager shall suspend the ability of a commercial cannabis business to operate within the City of Chico unless and until the State of California, or its respective department, division, or agency reinstates or reissues the State license. Notice of such suspension shall be provided to the commercial cannabis business.

B. Expiration, suspension or revocation of a license, permit or entitlement issued by the City of Chico related to a commercial cannabis business shall be grounds for immediate suspension of a commercial cannabis business to operate within the City, unless and until such license, permit or entitlement is reinstated or reissued. Notice of such suspension shall be provided to the commercial cannabis business.

C. The commercial cannabis business shall have the right to an appeal pursuant to Section 5.42.160.

5.42.200 Permits and inspections prior to commencing operations.

Prior to commencing operations, a commercial cannabis business shall be subject to inspection of the premises, and must obtain all required plan approvals and building permits which would otherwise be required for any business of the same size and intensity operating in that zone. Accordingly, the permittee shall also obtain all required Building Division approvals, Fire Department approvals, Butte County Health Department approvals and any other permit or approval required by this chapter, Code or applicable law, rules or regulations

5.42.210 City business license.

Prior to commencing operations, a permittee of a commercial cannabis business shall obtain a City of Chico business license.

Per Chico Municipal Code Section 5.42.310, Commercial Cannabis storefront retail facilities shall operate in compliance with the following use-specific standards:

A. Retailers shall verify the age and all necessary documentation of each individual to ensure the customer is not under the age of eighteen (18) years. If the potential customer is over 18 but under 21 years old, retailer shall confirm the customer's possession of a valid doctor's recommendation and/or Health and Safety Code Section 11362.71 identification card (Medical Marijuana Card). For adult-use purchasers, retailers shall verify that all customers are 21 years of age or older for the purchase of cannabis or cannabis products.

B. Individuals must show a government-issued identification, and, in the case of purchases of medical cannabis, their physician's recommendation, or a cannabis card issued pursuant to Health and Safety Code Section 11362.71 in order to gain access into the retailer. The government-issued identification and, if applicable, doctor's recommendation or cannabis card must also be shown at the point of sale station at the time of purchase. Doctor recommendations are not to be obtained or provided at the retail location.

C. Uniformed licensed security personnel shall be employed by permittee to monitor site activity, control loitering and site access, and to serve as a visual deterrent to unlawful activities.

D. Retailers may have readily available for sale on-site in the retail sales area of the retailer only that quantity of cannabis and cannabis products to meet the daily demand. Additional product may be stored in a secured, locked area to which customers, vendors, and visitors shall not have access.

E. All restroom facilities used by customers shall remain locked and under the control of management.

F. Retailers authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of state law and this division.

1. The sale and delivery of cannabis goods shall not occur through a pass-through window or a slide-out tray to the exterior of the premises.

2. Retailers shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.

3. No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.

4. All cannabis goods sold by a retail business shall be contained in child-resistant packaging.

5. Retailers shall record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

6. A retail licensee who is engaged in retail sales shall hire or contract for security personnel who are at least 21 years of age to provide security services for the licensed retail premises. All security personnel hired or contracted for by the licensee shall be licensed by the Bureau of Security and Investigative Services and shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.

G. Access to retailer premises.

1. Access to the premises of a retail licensee/permittee shall be limited to individuals who are at least 21 years of age.

2. Notwithstanding Section [5.42.310\(h\)\(1\)](#) individuals who are at least 18 years of age and in possession of a valid physician's recommendation shall be granted access to the premises of a retail licensee/permittee for the sole purpose of purchasing medicinal cannabis consistent with the physician's recommendation.

H. Authorized sales. A retailer shall only sell adult-use cannabis and adult-use cannabis products to individuals who are at least 21 years of age. A retailer shall only sell medicinal cannabis or medicinal cannabis products to individuals who are at least 18 years of age, if those individuals are in possession of a valid physician's recommendation.

I. Limited access areas. A retailer shall establish limited-access areas and permit only authorized individuals to enter the limited-access areas. Authorized individuals include individuals employed by the retailer as well as any outside vendors, contractors, or other individuals conducting business that requires access to the limited access area. All individuals granted access to the limited access area shall be at least 21 years of age, and if not employed by the retailer, shall be escorted at all times by an employee of the licensee/permittee. A retailer shall maintain a log of all individuals who are not employees who are granted access to the limited access area. These logs shall be made available to the Chief of Police or their designee upon request.

J. Operating hours of the store front retailer permittees shall be limited to the hours of 8:00 a.m. through 9:00 p.m. Pacific Standard Time, seven days a week.

K. Store front/retail security requirements. All provisions incorporated within Section [5.42.320](#) of this chapter (Security Requirements), are directly applicable to and binding on all commercial cannabis businesses, including all store front/retail businesses.

L. Educational materials. Cannabis retailers shall provide written educational materials to all customers:

1. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.

2. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include

- i. information on safe storage and use of the product,
- ii. warning against child access and exposure to the product, and
- iii. warnings of potential side effects concerning brain development of individuals under the age of twenty-five years and
- iv. warnings of potential harm to pregnant women.

M. Training required. All employees who interact with public customers as well as all management staff complete training to ensure competency of employees for their assigned functions within the first year of the retailers’ first year of operation, and within one year of each employee’s hire date thereafter. The retailer shall maintain records showing completion of each employee’s training for a period of two years and provide such records to the City Manager or his/her designee upon request.

5.42.320 Security requirements. Please review CMC 5.42.320 and adhere to all specific security requirements.

5.42.330 Compliance Review and Financial Audits

The City of Chico and/or its designee shall conduct biannual compliance reviews to evaluate business practices, procedures and internal control to ascertain the level of risk assessment.

The City of Chico and/or its designee shall conduct one (1) financial audit during the term of the permit to verify the accuracy of gross receipts reported to the City and to ensure regulatory compliance with state and local laws. **Please review and adhere to specific Records and Safekeeping requirements under CMC 5.42.330.**

Community Benefits


All Cannabis businesses within the City of Chico shall be required to enter into a Community Benefit Agreement and donate five (5) percent of their gross receipts to a community benefit fund. Funds are to be paid annually by June 30th of the calendar year for the previous year’s gross receipts. A copy of licensee’s tax return for the previous calendar year and five (5) percent of total gross receipts via check or money order is to be made payable to the City of Chico.

Additionally, Licensee agrees to provide community benefits as set forth in the Community Benefits Plan submitted by Licensee in Licensee’s application.

<p><u>Special Requirements for Responsible and Compliant.:</u></p> <ul style="list-style-type: none"> • Address any issues identified in the Phase 2-A Evaluation Report.

Failure to comply with any requirement imposed by the provisions of the Chico Municipal Code (or successor provision or provisions), including, but not limited to, any rule, regulation, condition or standard, or any term or condition imposed on a Commercial Cannabis Permit or entitlements or Use Permit, or any provision of State law are grounds for revocation of a Commercial Cannabis Permit. Violation of the Chico Municipal Code may be prosecuted as a citation or misdemeanor. Applicant is required to complete all requirements no later than October 1, 2023 and open their business or risk forfeiting their right to the permit.

I hereby certify that I have reviewed the contents of the Conditions for approval for a cannabis distribution permit and acknowledge, understand and agree to be bound by its terms and conditions.

Applicant/Operator Signature:  Date: 10-14-22
Lauren Carpenter

Distribution of Conditions:

Applicant
Community Development Department

SECTION E: NEIGHBORHOOD COMPATIBILITY PLAN

INTRODUCTION

Embarc Chico believes operating a cannabis business is a privilege and not a right and that a successful business model is predicated on the ability to consistently engage the community to ensure communication, transparency, and collaboration. By putting the community first, Embarc ensures a positive relationship with the City of Chico, community leaders, and the neighborhood, ultimately allowing the company to participate in – and give back to – the community in meaningful ways.

It is Embarc's intention to be a contributing and responsible force in the community, and we are committed to ensuring that our dispensary never poses a nuisance to the neighborhood. Below we describe the specific strategies, procedures, and equipment that will be used to proactively address and respond to complaints related to noise, light, odor, vehicle and pedestrian traffic.

Our dispensary will be maintained in accordance with the standards of the International Property Maintenance Code to ensure the licensed premises are safe, sanitary, and fit for occupation and use. We will proactively work with community members, neighborhood leaders, and local businesses to build a synergistic relationship based on respectful dialogue and ongoing approachability.

Our goal is to become an active and engaged supporter of the neighborhood while operating as a pristine example of regulatory compliance and corporate responsibility. As such, our Neighborhood Compatibility Plan is designed with the community in mind. Given our track record in existing locations, we have the expertise and sensitivity necessary to reach out to local leaders and residents, engage the community, and respond to their collective needs.

Based on our experience operating successful and compliant retail and delivery operations, we understand the importance of a proactive approach to resolve any potential issues before they arise. That is why our General Manager, managers, staff, and Local Owner will engage in ongoing positive neighborhood relations. Being accessible is vital to preventing annoyances from escalating to issues.

Our selection of 185 Cohasset Road was undertaken with the guidance of our local owner and Community Advisory Board members, ensuring our location is sensitive to community and appropriately located on a commercial artery. Given the extensive due diligence detailed later in this section, we believe this is the best location for successful retail cannabis operations in Chico.

1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, vehicle, and pedestrian traffic.

Embarc will proactively engage with our surrounding neighborhood to anticipate, mitigate, and respond to potential complaints. Embarc's best practices and strict operational procedures will ensure that our cannabis business operates and handles cannabis goods in a manner that does not adversely affect the health or safety of nearby properties and the surrounding community.

Good Neighbor Policy

In every community where we operate, Embarc institutes a Good Neighbor Policy specific to mitigating local concerns and modeled to address local regulations. **We have drafted proposed policies informed by Chico City Municipal Code with specific attention to the City's amendments on Businesses Selling Alcohol, Section 19.04.020.**

We commend the City of Chico for providing businesses with guidelines to protect and encourage neighborhood upkeep and responsibility for ensuring the safety, cleanliness and quality of life in their immediate vicinity. Many of the City's requirements for businesses that sell alcohol and how they manage their presence in the community are applicable to how we approach cannabis retail and as such we will seek to have our voluntary Good Neighbor Policy encapsulated as a condition of approval.

We would also welcome the opportunity to discuss our Good Neighbor Policies with City staff and incorporate any guidance should we be fortunate enough to be awarded a license. The intention of including such a policy as a condition of operations is to demonstrate the seriousness with which we approach nuisance and complaint mitigation. The suggested policy has been detailed briefly below.

As a responsible cannabis operator, Embarc Chico must:

- Create a safe exterior environment through design and site management
 - Provide outside lighting in a manner that illuminates the outside street and sidewalk areas and adjacent parking as appropriate
 - Maintain the premises and adjacent sidewalk in good condition at all times
- Manage parking and traffic to negate impacts to surrounding areas
 - Prohibit double parking directly outside the premises
 - Prohibit loitering around the premises or in the parking lot
- Enforce appropriate customer behavior outside the facility and in adjacent areas
 - Prohibit loitering in or around the premises
 - Prohibit littering in or around the premises
 - Prohibit the consumption of cannabis products in and around the premises
- Post notices at all public entrances to and exits from the establishment that are clear, well-lit, prominently displayed and maintained
 - Direct patrons to leave the establishment and neighborhood peacefully and in an orderly fashion
 - Direct patrons to not litter or block driveways
 - Advise individuals of the prohibition on loitering
- Provide the contact information for Embarc personnel responsible for community relations and issue mitigation
- Provide adequate and appropriate ventilation to ensure odor controls result in no emission of noxious odors
 - Advise individuals that smoking of cannabis is prohibited in public places
 - Advise individuals that consuming cannabis of any kind is prohibited in public places
- Be a benefit to surrounding parcels
 - Maintain the premises in a clean and orderly fashion
 - Instruct security personnel to secure the premises within 50 feet of any public entrance and exit

Proactively Address and Respond to Complaints

Embarc Chico employs a protocol for addressing and responding to complaints related to its business, including any potential complaint concerning noise, light, odor, and vehicle and pedestrian traffic. This protocol is critical to ensuring consistency in response and in providing the data we need to modify Standard Operating Procedures as needed to alleviate the likelihood of issue recurrence.

Embarc will implement comprehensive good neighbor and nuisance mitigation strategies to alleviate community concerns. Although we believe our Local Owner and General Manager will prevent these issues from arising by cultivating healthy and frequent communication with our neighbors, company policy will require that any staff receiving a complaint report the concern to their Manager immediately.

We understand other potential impacts may arise from normal business operations which are not currently contemplated. Should that occur, we will work closely with community members, neighborhood leaders, and local businesses to document and resolve any issue. All necessary actions will be taken to resolve a complaint, and all records of complaints will be kept on-site. Should a complaint occur, employees will be required to adhere to the following written policies and procedures:

STEP 1: Document the Concern or Complaint

Any employee receiving a complaint will first document the concern on a standardized company form. The employee will record as much information from the aggrieved individual as possible, including the source of concern and the length of time it has transpired. The employee will also ask for and record the individual's contact information for follow up. Employees will be trained to ensure the aggrieved individual understands we are sympathetic to his or her concerns and seek to address them immediately and transparently.

STEP 2: Immediately Report the Concern or Complaint

Employees will be trained and required to immediately report any concern or complaint to both the General Manager and Local Owner by scanning and emailing the form with the subject line "FOR IMMEDIATE ATTENTION." Employees are also encouraged to provide their suggested solutions and potential mitigation strategies as part of the email. Once emailed, the employee is also directed to speak with the General Manager in person, or a Manager if the General Manager is not available. If the issue is truly urgent, Carrie Tatreau, our Local Owner, will be called immediately, as will Chief Executive Officer Lauren Carpenter and Chief Operating Officer Terri Gilles so that the team can activate in real time.

STEP 3: Develop and Execute a Plan of Action

Next, the General Manager, Local Owner and employee will develop and execute an action plan to resolve the issue. The plan will articulate, and Embarc will implement, a short-term solution to alleviate the complainant's concern as well as a long-term solution to prevent the issue from arising in the future. Long-term solutions will be incorporated into our standard operating procedures to prevent reoccurrence and employees will be trained on the new policy within one week of the solution being implemented.

STEP 4: Follow up With Complainant

Our Local Owner and/or General Manager will personally follow-up with the complainant to ensure his or her concern was adequately and efficiently resolved. During the conversation, the Local Owner and/or General Manager will identify the actions taken to mitigate the concern and the protocols that were developed to prevent the issue from occurring again. Finally, the Local Owner and/or General Manager will inquire if there are any additional concerns the aggrieved individual would like Embarc to rectify or if the issue was resolved to his or her satisfaction.

STEP 5: Document the Incident and Resolution

Lastly, our General Manager or designee will create a complaint report of the entire incident that documents the following:

- Concern, complaint, or grievance
- Reporting employee's information
- Complainant's contact information
- Action plan and resolution
- Protocols that were implemented to prevent the issue from reoccurring
- Follow up conversation with the complainant and his or her disposition of the resolution
- Trainings that occurred as a result of the any newly developed standard operating procedures

Reports will be distributed to ownership and the Community Advisory Board to ensure accountability and awareness. Embarc will keep all complaint reports for a minimum of five (5) years, unless otherwise required by law. Periodically, our ownership team will audit these complaint reports to certify the concern was efficiently resolved and that the new protocols are effective.

To address and respond to complaints, Embarc will operate and maintain an on-site 24-hour landline telephone number, or hotline, at the premises for receiving complaints and other inquiries regarding the cannabis business as well as multiple 24/7 contacts. An Embarc manager will be responsible for receiving, logging, and responding to these complaints and other inquiries daily following the protocol detailed in this section. The complaints will be logged and maintained in our business records in accordance with all local and state regulations. If any Embarc owner, manager, or employee logs any conduct which raises a reasonable suspicion of a violation of local or state regulations, Embarc will report the conduct to the Chief of Police, or his or her designee, within 24-hours of its discovery.

Noise

Embarc is taking several precautions and implementing a variety of measures guaranteed to combat and mitigate excessive noise. Embarc will never produce excessive or unnecessary noises that would detrimentally impact the public health, comfort, safety, welfare or prosperity of the surrounding neighborhood and Chico community.

All noise producing activities, including but not limited to, construction, landscaping, and motor vehicle operation, will comply with all Chico noise ordinances. No sound production or reproduction systems inside the facility will be maintained at a volume level higher than what is necessary for the convenient hearing of persons present, including receiving activities. We will prohibit use of horns or signal devices on any of our company or employee vehicles, except as a danger signal or to give warning.

To minimize our impact on the neighborhood during renovation of our facility, construction activities will only occur with a special permit from the City, between reasonable or preapproved hours. The entire premises, including the parking lot, will be monitored under constant video surveillance and routinely patrolled by our security guards.

If any person or vehicle is identified as causing a disturbance or being excessively noisy, that individual will immediately be escorted off the premises and, if necessary, reported to law enforcement. We will ensure all motor vehicles on our premises, including motorcycles, adhere to appropriate sound level decibels. Motor vehicles exceeding these established limits will be asked to leave the premises by our security team. Our security guards will also work to ensure no motor vehicle on our premises is left idling.

Light

Embarc understands the community's desire for a safe and secure facility that blends seamlessly into the surrounding neighborhood, along with the ability to enjoy the night sky without obtrusive bright lights. In compliance with local regulations, the exterior of our dispensary, including the parking lot, will be adequately illuminated for security purposes while not posing a nuisance. Exterior lighting will be balanced and will not result in glare on adjoining properties, will complement the security systems, will ensure that all areas of the premises and parking areas are visible, and will provide increased lighting at all entrances to the premises. Given spatial constraints, specific details regarding exterior light standards are further detailed in the Security Plan included with this application.

Should facility lighting give rise to a complaint, we will work to develop a compliant lighting solution that accommodates neighborhood concerns without sacrificing security. Our Chief Operating Officer, construction team and General Manager will ensure that the electrical system and lighting comply with all applicable state and local laws, regulations, ordinances, and other requirements, are maintained in good repair, and do not present an electrical shock or fire hazard.

Odor

In compliance with Chico Municipal Code and through a combination of high-tech air scrubbing and carbon filtration systems, negative air pressure and other odor mitigating techniques, we are employing industry-leading best practices to ensure that facility design embraces regulatory compliance and nuisance mitigation. Due to spatial constraints, please see Section 3 below for a detailed Odor Mitigation Plan.

This plan ensures that our retail facility serves as an environmental steward for the community and does not create a public nuisance. Our Odor Mitigation Plan was created and refined through our teams' years of experience operating cannabis facilities. As a result of this experience, we know that, if not properly treated, cannabis odors can create a public nuisance in the surrounding community. Such a condition is antithetical to our goal of being a contributing member and good steward of our community and as such we will take all possible steps to treat odors before they become problematic, and proactively address any complaints of unpleasant or offensive odors arising from the facility.

As a component of our proposed Good Neighbor Policy, Embarc will be responsible for the development, implementation and maintenance of an Odor Management Plan. This includes maintenance of all records relating to odor management including system installation, maintenance, equipment malfunctions and deviations from the plan. The General Manager will verify the effectiveness of the air quality management system weekly by physically inspecting the system by listening for the sound of the system, visually ensuring the lights are on and the system is functioning and verifying there is no odor. The General Manager will log that the system has been checked weekly in an odor control maintenance log.

In the event that Embarc receives an odor complaint, the General Manager will:

- Log the date, time, source, contact information and description of the complaint.
- Within 30 minutes, the General Manager will identify the source of the odor by physically inspecting the facility for any unpackaged cannabis product that may be emitting odor. This includes inspection of all areas of the retail premises including secure storage area and retail floor, or any other areas where cannabis products are featured or stored.
- Upon identification of the source of odor, the General Manager will dispose of the cannabis product in a secure and air-tight waste disposal area and log the disposal in the track and trace system as well as the odor control log.
- The General Manager will also physically inspect the odor control system, within 30 minutes of receiving an odor complaint, to ensure it is functioning properly.
- If the General Manager identifies that the odor control system is malfunctioning, the General Manager will immediately contact the manufacturer.

The General Manager will determine if the issue can be addressed with the manufacturer over the telephone. If the malfunction cannot be resolved over the phone, the General Manager will schedule the first available appointment with the manufacturer to visit the retail facility to physically inspect the odor control system.

If the odor control system cannot be fixed, the General Manager will immediately place an order for the first available replacement part or new system. The General Manager will immediately communicate the complaint and resolution to Embarc's executive management team via email within 2 hours. The General Manager will discuss the source of the odor complaint or issue and its resolution with the retail team at the next team meeting to develop and implement procedures to avoid a future odor complaint.

Vehicle Traffic

We do not anticipate impacts to vehicle traffic given the site's ample parking and thoughtful site layout. However, we have nevertheless considered vehicular turning movements in relation to traffic flow, proximity and relationship to intersections, adequacy of sight distances, location, and access of parking and, should impacts to vehicle traffic occur, Embarc will designate an employee to manage customer parking and traffic flow in the parking lot.

Furthermore, we will offer pre-ordering promotions and other discounts to encourage patrons to visit the store during non-peak hours to reduce vehicle traffic during peak hours. In the event a community member is concerned with vehicular traffic, our Local Owner will immediately investigate the situation and develop a more robust response protocol.

Pedestrian Traffic

Our facility has been thoughtfully designed to ensure efficient customer flow to prevent pedestrian traffic from spilling out beyond the property or otherwise impacting flow of traffic. In the event that the store has a large gathering of customers, there will be clearly delineated lines and a waiting area to make certain that customers are waiting in an orderly fashion and avoiding a pileup of pedestrian traffic outside the store. Security guards will also be patrolling the property to help the flow of pedestrian traffic.

If there are still issues pertaining to pedestrian traffic, Embarc will engage an employee outside the store to manage the flow of pedestrian traffic and offer pre-ordering promotions and other discounts to encourage patrons to visit the store during non-peak hours. In the event a community member is concerned with pedestrian traffic, our Local Owner will immediately investigate the situation and develop a more robust response protocol.

Loitering

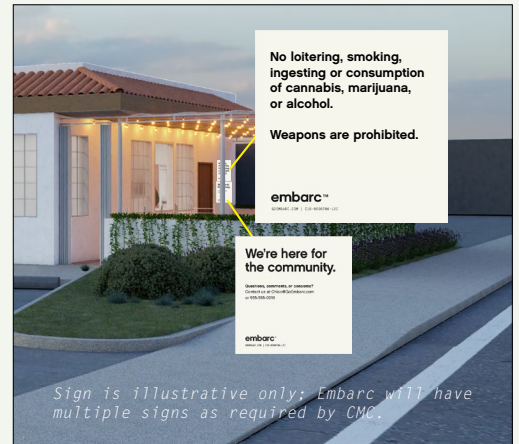
Embarc prohibits all loitering outside the facility and will notify the Chico City Police Department if anyone continues to loiter after all reasonable actions have been taken to remove the individual(s). Additionally, and in accordance with local regulations 5.42.300.A.3, Embarc prohibits the consumption of cannabis or cannabis products at or on the premises, in the parking areas of the premises, within 300 feet of the premises on the public right-of-way, or in those areas restricted under the provisions of California Health and Safety Code Section 11362.79.

In compliance with local regulations, Embarc will post in a conspicuous location inside the premises signage in at least 15-point font noting age restrictions and the prohibition on loitering that reads,

"The sale or diversion of cannabis or cannabis products without a permit issued by the City of Chico is a violation of State Law and the Chico City Code. Secondary sale, barter or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest. Patrons must not loiter in or near the premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance. Warning: the use of cannabis or cannabis products may impair a person's ability to drive a

motor vehicle or operate machinery. California Prop 65 Warning: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the state of California to Cause Cancer.”

Simply put, loitering, which can lead to further nuisances, will not be tolerated under any circumstances. All Embarc employees will receive training and implement protocols to reduce the risk of disruptive, nuisance behavior and negative impacts on neighbors. This includes ensuring that customers immediately exit the building and vacate the premises upon making a purchase or concluding their business at the licensed premises.



Security and staff will be responsible for controlling patrons’ conduct on the property. This includes taking immediate action upon identification of a customer who is engaging in any inappropriate behavior, including but not limited to loitering, consumption of cannabis, tobacco or alcohol on-site, littering, graffiti, harassment, noise and/or illegal parking.

Security personnel will be aware of customers leaving the facility who are carrying the easily distinguishable child-proof exit bags and will monitor their exit from the premises. Because we will always have security personnel with visual access to both our security monitors and exterior, such personnel will be aware of any individuals on our property.

If any of our neighbors or members of the community feels that loitering on our premises is posing a nuisance to the community, we welcome them to contact our Local Owner who will seek to rectify the situation immediately using the response protocols outlined in this section. Embarc will be responsive to the community, and additional protocols will be implemented to adequately meet the community’s needs.

Importantly, as detailed above, our security guards will also engage in periodic neighborhood sweeps, ensuring no littering, loitering or other negative impacts on the neighborhood. However, in the event of a member of the community is concerned with loitering, our Local Owner, along with security personnel, will immediately rectify the situation.

2. Describe how the CCB will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.

Prevention of Negative Impacts on Neighbors and the Surrounding Community

The key to effective business management and nuisance avoidance is accessibility and accountability. Per Chico Municipal Code, Embarc will provide to both the City and to all parcels within 1,000 feet of the store – rather than the City mandated 300 feet – contact information for Embarc’s day-to-day supervisory/managerial personnel and Local Owner.

Additionally, we will provide the Police Chief with the name, telephone number (both landline and mobile, if available) of no fewer than three 24-hour on-call designated emergency contact employees and owners to respond to complaints and/or operating problems or concerns. A 24-hour contact will also be readily available online and posted conspicuously on the exterior of the facility such that any passerby can access management staff with issues at any time.

Embarc's 24-hour contact person for receiving complaints and other inquiries will ensure accessibility at all levels for the neighborhood and surrounding community and will be an Embarc manager responsible for receiving, logging, and responding to any and all complaints and inquiries.

In addition to this telephone number and in compliance with CMC 19.75.130.I, Embarc will provide the City Manager with the name, telephone number (both landline and mobile) of an on-site manager who will act as an on-call community relations staff person, to whom emergency notice may be provided at any hour of the day. Please note that 24/7 contact information will also be provided for all owners and our Head of Security, ensuring ample team members are available at any time.



Embarc will encourage neighbors to report any impact, real or perceived, that they experience in relation to Embarc's operations and Embarc will dedicate all reasonable time and effort to resolving any such issue to the impacted neighbor's satisfaction. This mitigation could include making a roaming security officer available as a means of addressing any nuisance activities perceived as attributable to Embarc's business operations. Any such assigned security officer will be directed to mitigate the situation to the maximum limit permitted by the Private Security Services Act. Furthermore, Embarc will encourage neighboring residents to contact our personnel prior to contacting the City.

To ensure accountability and in accordance with local regulations, Embarc will maintain a log of any public nuisance activity on the premises or within 300 feet of the premises. The log will include any information required by the Chief of Police, or his or her designee, including but not limited to the date and time of the occurrence, the type of activity, the circumstances surrounding the activity, the identity of any persons involved in the activity if known, the corrective action taken by the cannabis business, and the police case number if applicable. Further details regarding our Accident and Incident Reporting procedures are outlined in the Safety Plan included with this application.

Depending on the nature of the issue and whether it is community or operationally based, the inquiry will be managed by the Local Owner or General Manager. In this capacity, Carrie Tatreau and/or the General Manager will be responsible for timely resolution of any issues or concerns brought to our attention.

In accordance with local regulations, Embarc's owners, manager and community relations representative welcome the opportunity to attend a quarterly meeting at the request of the City Manager or designee with the interested parties to discuss costs, benefits and other community issues arising as a result of the implementation of legal cannabis. Our goal is to mitigate any concerns rising to the level of the City's concern though we welcome the leadership in addressing any concerns as a community.

Community and Neighborhood Outreach

As local business owners, we appreciate the need for ongoing engagement and collaboration with the community at large and the neighborhood surrounding our facility. In addition to the extensive community benefits programs detailed in Section F – Community Benefits and Investments Plan, we have also identified ongoing engagement strategies to ensure thoughtful integration of our proposed operations into the neighborhood.

Neighboring Business Outreach

Embarc's owners will meet with neighboring businesses to detail proposed operations and to identify opportunities for potential partnerships (where appropriate given the use type). Embarc will document these meetings and provide a record should the City seek verification regarding neighboring business outreach. As part of this outreach plan and in compliance with local regulations, Embarc will provide the name, telephone number and email address of Local Owner Carrie Tatreau to whom notice of problems associated with the commercial cannabis business can be provided. Embarc will provide this information to all businesses and residents located within 1,000 feet – well above the 300-foot requirement.

Carrie Tatreau
Embarc Chico
Local Owner Head of Community Relations
Carrie@goembarc.com // 530-570-5107

Additionally, once the General Manager has been hired, Embarc will solicit a second meeting to facilitate an introduction and sharing of contact information between the General Manager and neighboring business owners. We have found that establishing this relationship is the single most important mechanism for managing neighbor relations, as neighbors feeling comfortable contacting us directly with issues or concerns ensures we are able to address them in real time.

Open Houses

We will host two (2) open houses between the receipt of the right to operate locally and the commencement of operations, designed to provide residents and other stakeholders with the opportunity to meet our owners, ask questions about our proposed operations and get a better understanding of our vision. During these open houses, we will focus on impact mitigation and community benefits and will be available to answer community questions and/or concerns. Having these direct engagement opportunities is important to addressing concerns related to operations.

One of these meetings will occur immediately prior to opening the store and will focus on those nearest to our property to afford them the opportunity to understand the myriad compliance and security measures in place governing operations. Based on our experience, this type of community outreach is essential to dispelling myths and general unawareness of how legal cannabis dispensaries operate.

Informational Canvassing

If the City finds it appropriate, Embarc will canvass the neighborhood surrounding the location to provide materials on our intended operations, compliance, security, best practices, a community FAQ, and contact information for multiple team members. Doing so may help address comments and concerns proactively prior to opening the business.

Ongoing Engagement

Once operational, our ownership and management team will host semi-annual “listening sessions,” where members of the community will be able to voice opinions, ask questions, and meet the Embarc team. Our goal for these sessions is to address any unforeseen concerns and to ensure we are fulfilling our obligations as a good neighbor.

Creating Benefits for Our Neighbors

Other components of our plan that will create external benefits for our neighbors include:

Neighborhood Safety

Increased safety surrounding the facility is a positive byproduct of the immense attention-to-detail given to our facility's security measures. Our presence in the neighborhood comes with patrolling security guards, an industry-leading surveillance system with coverage extending across the entirety of the interior and exterior of the facility and beyond, and advanced alarm systems with immediate access to local law enforcement. We are confident that the extreme importance placed on facility security and safety will result in a positive impact on the safety and wellbeing of our neighbors. In fact, other communities located near legal, compliant cannabis facilities have seen increased property values as a result of the enhanced security.

Neighborhood Beautification

While engaging the neighborhood is critical, we also believe in the importance of rolling up our sleeves and providing ongoing neighborhood beautification efforts. As part of our paid employee volunteerism program, detailed further in Section F, our staff will serve as a volunteer street team on beautification projects near the store. We will also seek to identify opportunities to partner with the Chamber of Commerce and/or local business associations and non-profit organizations to assist on an ongoing basis, from repainting to picking up litter. Based on feedback we have received during community outreach to date, we will also engage in beautification efforts targeted at the bike path near our property.

Community Advisory Board Feedback Loop

Embarc's Community Advisory Board is comprised of prominent local community members who will help shape best practices to innovate and improve operations to mitigate any potential for complaints from citizens, customers, and other businesses in the area. Given the Board members' insights into the community, they will be empowered to provide ongoing feedback, guidance and accountability for our nuisance mitigation and proactive community engagement programs.

Partnership with Local Law Enforcement

As we have done in other cities, Embarc will seek to form a positive, collaborative working relationship with local law enforcement to ensure open lines of communication, trust and transparency. We are proud of our Community Advisory Board members and their significant contributions to law enforcement in this community, specifically retired President of the Chico Police Officers' Association, Terry Moore and volunteer Fire Fighter Teri DuBose. We have reserved a non-voting seat on the Community Advisory Board for a representative from law enforcement to provide quarterly updates and insight into the business and its operations but thought it inappropriate to conduct outreach about participation on the Community Advisory Board until after the conclusion of this process.

Supporting Local Business and Creating Partnerships

In our experience, providing education, building partnerships and spreading the benefits of a new customer base to our neighbors is impactful in mitigating neighborhood concern regarding the arrival of legal retail cannabis. Given the types of industries in proximity to our location, we will deploy a two-pronged approach to how we support and benefit our surrounding neighboring business:

- Embarc encourages patrons to shop with neighboring businesses through our **Neighborhood Discount Program**. Embarc offers a 10% discount to customers with same day receipts from local businesses within a 0.5-mile radius of our shop. Our team will conduct introductory meetings to identify appropriate co-marketing partnerships encouraging patrons to shop local.
- Embarc seeks to support Chico's health and wellness industries. Through providing educational seminars and partnering on outreach, we are confident our team's knowledge and resources can

benefit Chico’s healthcare industry. As further detailed in Section F – Community Benefits Plan, Embarc is committed to hosting educational events on cannabis and welcomes the opportunity to include our neighbors, when appropriate, in these efforts.

We have identified the following businesses in the .5-mile radius of our location at 185 Cohasset Road and have categorized our outreach by industry. Understanding retail cannabis is a sensitive topic, we have identified the most appropriate member of our team to engage with varying industries. This is not a comprehensive list but rather is demonstrative of our approach to engaging neighbors.

Embarc Chico - Neighborhood Business Engagement				
	Healthcare	Restaurants	Local Businesses	Wellness
Businesses	Windsor Chico Creek Care Riverside Point Healthcare & Wellness Enloe Medical Center Vitalant	The Lab Bar and Grill Italian Cottage The Foodie Café Farmers Skillet Sushi Burrito King Sin of Cortez	Golden Valley Bank Exclusive Tattoo Smog Busters Big O Tires Galaxy Custom Audio Video	Chico Sports Club
Team Lead	Teri Dubose, Chair of Community Advisory Board and former EMT for Enloe Medical	Embarc Chico General Manager – will create sensitive and appropriate local co-marketing partnerships	Teri DuBose, Chair of Community Advisory Board and longtime Chico small business owner	Carrie Tatreau, Embarc Chico, Local Owner
Outreach Type	Educational meeting with healthcare leadership to understand their needs and develop tailored educational material	Discuss appropriate co-marketing opportunities, provide Good Neighbor Policy and overview of Embarc’s Neighborhood Discount Program	Provide Good Neighbor Policy and overview of Neighborhood Discount Program	Facilitate wellness partnerships through educational events, provide Good Neighbor Policy and overview of Neighborhood Discount Program
Goal	Create educational partnership, providing resources to patients on cannabis use and addressing health alignments	Encourage customers to dine at local restaurants when shopping with Embarc	Encourage customers to shop local when shopping with Embarc	Create partnerships with wellness groups for co-hosted events and educational seminars, facilitating community

3. Describe odor mitigation practices:

OVERVIEW

Embarc Chico is committed to mitigating and controlling any odors associated with our facility and will be responsive to the odor control requirements set forth in the applicable state and local regulations. Specifically, Embarc will exceed the requirements set forth in the Chico Municipal Code Chapter 19.75.130L Odor Mitigation.

Embarc utilizes odor control devices and techniques to ensure that odors from cannabis are not detectable off-site. Appropriate air purification systems and air scrubbers will be utilized to prevent the

odor of cannabis from emanating beyond the walls of the premises. Other odor mitigation equipment will include, but not be limited to, charcoal filtration systems.

Embarc provides a sufficient odor control devices and techniques such as odor absorbing ventilation and exhaust systems utilizing air scrubbers or charcoal filtration systems so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within the same building as the commercial cannabis business.

Embarc will install and maintain the following equipment, or any other equipment which the City Engineer or Public Works Director or Building Official determines is a more effective method or technology, to address odor control: an exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and an air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business. We will ensure that all exhaust ventilation equipment will be appropriate for the use involved and will comply with the California Fire and Mechanical codes.

Embarc's odor mitigation practices are intended to serve the following purposes:

1. To ensure that air circulation resulting from Embarc retail operations does not impact our employees' health and welfare
2. To ensure that air circulation resulting from Embarc retail operations does not impact surrounding businesses and outdoor areas
3. To ensure thoughtful operations that demonstrate a true commitment to the health and welfare of the City and its residents

Through our leadership team's years of operating cannabis facilities across the country, and the lessons learned at Embarc Tahoe, Embarc Alameda and Embarc Martinez, we have developed industry-leading protocols and procedures to mitigate and eliminate any potentially offensive odors that could be detectable by the surrounding community.

Many of Embarc's odor mitigation practices overlap with its hygiene protocols. Embarc will train all employees to maintain a sanitary facility reinforced by anti-contamination standard operating procedures. Per Chico regulations, Embarc prohibits employees from consuming cannabis within or outside our licensed facility, and odor control devices such as carbon filtration technology will be utilized to minimize the chances of off-site detection of odors emanating from our facility. To further minimize or eliminate odors emitted to the surrounding community, no cannabis will be stored or displayed in an area accessible to the general public or stored overnight outside of the building.

Our Odor Mitigation Plan will be approved by the applicable City authorities prior to operation. The system will consist of an exhaust air filtration system utilizing multiple fans and active carbon filters to prevent internal odors from escaping the facility. Generally, this means exhaust air will be filtered through active carbon filtration and, where applicable, HEPA filters prior to exterior release. Carbon filters will be regularly inspected and recharged and/or replaced in accordance with usage and manufacturer specifications. Embarc will also perform self-inspections, encourage employee observation and reporting, and create response protocols to effectively address any odor complaints that may arise, as detailed in this section. It is our intention to resolve any complaints received from neighbors in a timely and satisfactory manner.

Our administrative controls have been field-tested and proven effective. They have been designed to ensure that no odors will be detectable outside of our facility. Our General Manager will ensure all odor-producing activities are isolated and mitigated and will perform routine audits to ensure that odor mitigation equipment, filters, and ventilation are working effectively and in good order. Each employee will be trained to ensure that all doors remain closed and odor-emitting activities are isolated. If an employee notices any equipment malfunction, he or she is required to immediately report the situation to the General Manager, who will develop a plan of action to repair or replace the equipment.

Odor mitigation practices are only as good as their implementation. Thus, this Odor Mitigation Plan seeks to be all-encompassing, focused not only on the mitigation of odors but also on the ongoing maintenance of best practices with clearly defined process ownership, community engagement and communications protocols. It is this level of detail that ensures effective ongoing odor management is achieved.

Embarc's odor management plan detailed below contemplates the following critical components:

1. **PHYSICAL INFRASTRUCTURE** - Embarc's approach to retail design contemplates the importance of physical infrastructure necessary to mitigating odors. For more on the techniques and devices used to mitigate odor in our physical infrastructure, please see Section E.3.B below.
2. **BEST PRACTICES** - Embarc will employ industry-leading best practices to prevent odors from being generated and/or detected inside or outside the facility. Embarc will provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the business that is distinctive to its operation is not detected anywhere outside of the facility. For more on the devices and techniques used in Embarc's odor mitigating best practices, please see Section E.3.B.
3. **COMMUNITY ENGAGEMENT & RESPONSIVENESS** - In addition to physical infrastructure designed to mitigate odors, an important component of our odor control plan is community engagement and responsiveness. While our facility is designed to eliminate odors, we recognize that any new cannabis use, even if that use is not odor-generating, can result in questions and concerns from community leaders, residents and businesses. Thus, a critical component of our Odor Management Plan is a robust community responsiveness protocol designed to be proactive in addressing community questions and diligent in responding to concerns. For more information on our community engagement and responsiveness to community complaints regarding odor, please see Section E 1 & 2.
4. **INTERNAL PROCESS OWNERSHIP** - Embarc's retail management structure ensures that there is at least one Manager on-site during all working hours. All Managers and staff are trained extensively on standard operating procedures, including the odor management protocols outlined in this proposal. Managers are responsible for ensuring any odor issues are resolved promptly and that the resolution is communicated effectively both internally and externally.

A. Identify potential sources of odor from any cannabis or cannabis products being sold.

As cannabis is legalized across the country, significant research is being undertaken to better understand odor intensity at each point in the cannabis supply chain. These findings are integral to ensuring thoughtful air quality management best practices are in place specific to each point along the chain.

One example of the research driving the development of best practices can be seen in the City of Denver's Public Health and Environment Guide to reducing the impact of cannabis operations on air

quality. Per this Guide, odor generation is typically associated with the cultivation and manufacturing of cannabis, as both processes are odor intensive:

“The cannabis industry directly impacts air quality in two predominant operations; plant growth cultivation and Marijuana Infused Product (MIP) facilities. At cultivation facilities, the natural growth of cannabis plants and other processes emit terpenes which are VOCs known for their strong odors. At MIP [manufacturing] facilities, the evaporation of sol-vents and other processes in the production cycle result in Volatile Organic Compound (VOC) emissions. VOC’s alone do not typically pose a direct threat to human health or the environment. However, they do contribute to ground-level ozone by chemically reacting with other types of pollution, specifically, nitrogen oxides (NOx) in the presence of sun- light. Ozone is an air pollutant that is harmful to human health and negatively impacts the environment, therefore it is important that the cannabis industry mitigate VOCs in their processes.”

CITY OF DENVER
PUBLIC HEALTH AND ENVIRONMENT GUIDE

During cultivation, the growth of cannabis plants generates terpene emissions which are associated with a strong odor. After cannabis is cultivated, manufacturing facilities transform the raw plant into various products, including concentrating the oil and plant material. This process is also associated with a strong odor given it requires manipulation of the plant.

In California, State law requires that all products arrive at a retail establishment fully processed, tested, packaged and sealed in child resistant packaging. Because all products arrive at Embarc retail facilities in their final packaged form, there are virtually no odors associated with this license type.

Specifically, per State law, all packaging shall:

- Protect the product from contamination
- Be tamper evident and sealed so the contents cannot be opened without destruction of the seal
- Be child resistant as stipulated by the California Department of Public Health Code (40415)

Our proposed dispensary will receive, store and sell packaged products in their final form. Consequently, it is highly improbable that any on-site product will emit a strong odor. Nevertheless, this section contains a comprehensive odor management plan designed to ensure odors are undetectable.

B. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.

Odor control devices and techniques will be incorporated in all aspects of our facility to ensure cannabis odors are not detectable off-site. Embarc will provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the property is not detected anywhere outside the facility, including the adjacent property or public rights of way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other area available for use by common tenants or the visiting public.

Physical Infrastructure

Examples of the physical infrastructure that has been contemplated in the development of a proposed odor plan for Embarc Chico include, but are not limited to, the following:

1. Reduced path of travel for deliveries of bulk cannabis goods, i.e. a reduced path of travel for distributor(s) to transport products from the distributor's vehicle to the inventory room
2. Installation of weather stripping on all doors and windows to prevent odor leakage
3. A sufficiently sized inventory room to allow for all (appropriately packaged and self-contained) product to be unpacked from bulk boxes within the inventory room to ensure interaction with cannabis products at a high volume are self-contained

Odor Mitigation Techniques

Embarc Chico will implement the odor mitigation strategies detailed below.

No Odor-Producing Activities On-Site

Embarc will not be conducting any cultivation, testing, packaging, extraction or distribution of cannabis and no noxious fumes or gases will be released.

Carbon Charcoal Scrubber

Embarc will use a carbon charcoal scrubber to remove contaminants and impurities using chemical absorption which will prevent odor from escaping the facility. Carbon charcoal scrubbers are an industry best practice for effectively neutralizing and mitigating odor from cannabis and other industries.

Air Filtration and Negative Air Pressure

Our HVAC consultant will design our air system to maintain negative air pressure between the interior and exterior of the building. The HVAC consultant will follow industry standard procedures that are summarized here, based on a study conducted by the California Department of Health Services and the Lawrence Berkeley National Laboratory:

1. Maintain the interior as depressurized relative to the exterior of the building. Our pressure differentials will be between -5 to -7 Pa (-0.02 to -0.03 in. w.c.). Because of this, exhaust efficiencies of at least 90% will be achieved.
2. Air from the commercial cannabis sales area will be filtered and exhausted to the outside without recirculation to other occupied spaces.
3. Increasing the ventilation rate will diminish the concentration of contaminants in any air that happens to leak from the commercial cannabis sales floor to the other areas of the building.

We will work with our vendor, Pure N Natural Systems, to procure industry-leading technology to implement the negative air pressure system including the use of the Clean Leaf System. This system captures VOC's, odors and more. As the air flows through three stages of filtration, it is cleaned of odors.

Biofiltration

As a component of Embarc's commitment to sustainability, we will utilize biofiltration as a component of our broader odor control plans, effectively enhancing odor control efforts. A recent NASA Clean Air Study identified biofiltration as a powerful tool in controlling odors. Through use of "living walls" and beneficial microbes, Embarc will be able to filter indoor pollutants and odors from the air in a completely sustainable way.

On-Site Odor Neutralization

Embarc will utilize industry-leading odor neutralization gel to eliminate odors. Odor neutralizers are different than air fresheners as they are chemically compounded gels that bind to and absorb terpenes,

thus eliminating the cannabis smell. By utilizing these products in the inventory room and sales floor, Embarc is adding another layer of odor mitigation.

Ventilation System

Our facility will be equipped with a ventilation system to maintain air quality and prevent any cannabis odor from leaving the premises. The ventilation system is designed to control the facility's environment, taking into consideration the square footage, quantity of cannabis products on site, and any odor-emitting activities that occur. Every occupied space will be ventilated by natural or mechanical means in accordance with the International Mechanical Code, International Building Code, and National Fire Protection Association Code. As previously stated, odor control equipment utilized at the facility will include responsible ventilation design and activated carbon filtration technology.

- **VENTILATION INTAKE OPENING:** The location of air intake openings will comply with the International Mechanical Code. All intake fans will be equipped with UV and insect filters. Air intake openings that terminate outdoors will be protected with corrosion-resistant screens, louvers, or grilles. Openings in screens, louvers, and grilles screens will be sized in accordance with the International Mechanical Code and will be protected against local weather conditions. Outdoor air intake openings located in exterior walls will meet the provisions for exterior wall opening protective measures in accordance with the International Building Code.
- **OUTDOOR AIR:** The minimum outdoor airflow rate will be determined in accordance with the International Mechanical Code. Ventilation supply systems will be designed to deliver the required rate of outdoor airflow to the breathing zone within each occupied space.
- **AIR BALANCING:** The ventilation air distribution system will be provided with a means to adjust the system to achieve at least the minimum ventilation airflow rate, as required by the International Mechanical Code. Ventilation systems will be balanced by an approved method. Embarc will maintain air balancing reports in the Facility Maintenance Log.
- **NEGATIVE AIR PRESSURE:** As detailed above, negative air pressure will be maintained at all times inside the building. We will accomplish this by compartmentalizing the facility and by utilizing negative pressure airlocks. The airtight functionality will create pressure differentials that alleviate the permeation and spread of odors. Furthermore, doors and windows will always remain closed, except for the minimum time required to allow people to enter and exit the building.
- **EXHAUST OPENING PROTECTION:** Exhaust openings that terminate outdoors will be protected with corrosion-resistant screens, louvers, or grilles. Openings in screens, louvers, and grilles will be sized not less than a quarter inch (1/4") and not larger than half an inch (1/2"). Openings will be protected against weather conditions. Outdoor openings located in exterior walls will meet the provisions for exterior wall opening protective measures in accordance with the International Building Code.
- **DUCT SYSTEMS:** The ducting systems used for the facility's heating, air-conditioning, ventilating, and exhaust systems will conform to the provisions of the International Mechanical Code and National Fire Protection Association Code 90A.

Ultimately, we commit to utilizing the best available technology, devices, and techniques to eliminate odors and to effectively maintain these systems to maximize their efficacy.

C. Describe all proposed staff training, and system maintenance plans.

Staff Training Related to Odor

As part of operational training, the General Manager will train all employees on odor detection, mitigation, reporting, and general system maintenance as part of the pre-store opening training and on an ongoing basis throughout the lifetime of the business. Additionally, each new hire must complete our odor control training curriculum prior to reporting to work. In addition to technical and procedural components, this curriculum includes de-escalation techniques for use in discussion with community members should odor rise to the level of concern.

The General Manager will organize re-training on administrative and engineering activities for odor mitigation at least once a year or following any material change in odor mitigation equipment or policy. Trainings will be conducted in person, using real world examples and hands-on learning activities. All Embarc employees will be trained on the company's specific administrative and engineering activities for odor mitigation, including but not limited to:

- Employee responsibilities
- The importance of closing doors and windows
- Recordkeeping
- System design
- Employee observation and reporting
- Equipment cleaning
- Ensuring exhaust and filtration systems are running as required
- Equipment maintenance
- Equipment audits and checks

Embarc will also hold refresher courses throughout the year to remind employees of best practices for odor mitigation. These refresher courses will be mandatory for all employees. During these trainings, Embarc will stress that odor mitigation is each employee's responsibility.

All employees will be trained to report any odors emitted from the facility or any discrepancies between our operations and our odor control SOP. Embarc will also emphasize the fact that we are members of the Chico community, and that each employee therefore has an obligation to reduce odors and make a positive impact on the neighborhood.

Embarc employee training practices have been proven successful at our existing dispensaries and this hands-on experience operating cannabis facilities has taken the guesswork out of developing training protocols. To date we have experienced no issues with odor management.

System Maintenance

Because each location is different, there is no one-size-fits-all maintenance schedule for retail operations. Rather, a customized plan is created for each location by the Chief Operating Officer, Facilities Manager, onsite Manager, and construction team, encapsulating odor control as well as general facilities maintenance and management specific to the unique characteristics of the location.

Chief Operating Officer Terri Gilles and Facilities Manager John Ngu oversee system maintenance for Embarc, bringing years of operational experience in cannabis and a variety of highly regulated industries. The operational excellence, including precise system maintenance protocols, exhibited at existing Embarc locations is a testament to this team's ability to approach system maintenance proactively and efficiently.

In accordance with all applicable municipal code requirements and regulations, Embarc's system maintenance plan will include detailed maintenance policies, procedures and timelines for odor control. Embarc is further committed to ongoing preventative maintenance and ensuring proper functionality of all operations as well as aesthetic management of the facility and surrounding area, including ensuring the property is consistently provided with adequate electricity, sewerage, disposal, water, fire protection, and storm drainage for the intended business purpose. We will maintain proper facility and system maintenance through the following processes:

- At the conclusion of a store buildout, the Chief Operating Officer and Facilities Manager will schedule a building walkthrough with key members of the construction team to review all components of the facility as well as all warranty and maintenance information. This site inspection and transfer of warranty and other documentation is required of the general contractor before final payment is made and is kept in a binder on the premises.
- Upon finalizing the documentation and handover from the construction team, the Chief Operating Officer and Facilities Manager will then meet with the local onsite Manager to review the binder in detail and develop a comprehensive, preventative maintenance schedule. Items requiring maintenance plans include, but are not limited to:
 - HVAC System Maintenance
 - Odor Mitigation Infrastructure
 - Charcoal Filters
 - General PM Schedule
 - Smoke Detectors & Carbon Monoxide Alarms
 - Uninterrupted Power Sources (UPS) Batteries for DVR and Network Server Systems
 - Exterior Camera Cleaning
 - Roof Structures
 - Landscaping
 - Pest Control
 - Plumbing Back Flow & Hydrojetting
- During this meeting, the team also identifies all relevant contractors and service personnel and initiates contracts with them to ensure regular service. Embarc seeks to achieve 100% local service providers, and often utilizes the Chamber of Commerce membership guide as a starting point for identifying service providers locally.
- In fact, for any purchase order or service contract to be approved, the General Manager and/or on-site Manager must assure that the contractor or vendor is based in Butte County. Non-local service providers will only be utilized when the service is not available locally or where warranties dictate the use of a specific entity. Thus, our commitment to utilizing local service providers goes beyond an abstract sense of community. While each store has different needs, examples of these types of contractors include, but are not limited to, the following:
 - Landscaping and tree maintenance
 - Deep cleaning and sanitation services
 - Pest management
 - Electricians
 - HVAC Technicians
 - Plumbing & Hydrojetting Services

To ensure employee accountability and equipment maintenance, Embarc will maintain equipment cleaning and maintenance records which will include, at a minimum, the following information:

- Manufacturer information
- Date equipment was put into service

- Date and time of cleaning or maintenance
- Detailed description of cleaning or maintenance
- Name of employee who cleaned or maintained equipment
- Name of tradesperson, if applicable
- Date of required next service

The General Manager will be responsible for creating and submitting a monthly odor management report, and we will maintain complete records that can be provided upon request.

D. Describe the waste management plan. The plan shall include waste disposal locations, security measures, methods of rendering all waste unusable and unrecognizable, and the process or vendor in charge of disposal.

Given spatial constraints, below is an overview of Embarc's waste management plan. A comprehensive guide with internal waste management standard operating procedures is available upon request.

Overview and Compliance with Laws and Regulations

Embarc's waste management plan has been designed to ensure that all cannabis waste is properly disposed of in accordance with all state and local regulations. All cannabis waste will be rendered unusable and unrecognizable through mixing the waste with approved non-consumable medium so that the resulting mixture is at least 50% non-cannabis waste and is unusable and unrecognizable. The resulting mixture will then be placed in locking waste bins and transferred to a waste disposal facility approved by the Chief of Police, or his or her designee.

Embarc strictly follows all regulations regarding waste promulgated by the Bureau of Cannabis Control (§ 5054 and § 5048) and as such, Embarc will not dispose of cannabis goods, unless disposed of as cannabis waste, i.e., the cannabis has been made unusable and unrecognizable. Cannabis waste will be stored, managed, and disposed of in accordance with all applicable waste management laws, including, but not limited to, Division 30 of the Public Resources Code. Cannabis goods intended for disposal will remain on the licensed premises until rendered into cannabis waste. Embarc will ensure that access to the cannabis goods is restricted to Embarc's employees or agents and that storage of the cannabis goods allocated for disposal is separate and distinct from other cannabis goods.

To be rendered as cannabis waste for proper disposal, including disposal as defined under Public Resources Code section 40192, cannabis goods will first be destroyed on the licensed premises. This includes, at a minimum, removing or separating the cannabis goods from any packaging or container and rendering it unrecognizable and unusable. This does not require vape cartridges to be emptied of cannabis oil prior to disposal, provided that the vape cartridge itself is unusable at the time of disposal.

Cannabis Byproducts that have been properly rendered onsite into cannabis waste can be transported offsite for disposal. All cannabis waste must be tracked-and-traced to its final location, and a non-hazardous waste manifest, bill of lading, or certified weight ticket issued upon disposal. Cannabis Byproducts that have not yet been properly rendered shall be collected by a Licensed Cannabis Waste Handler for off-site rendering. Since the waste is still considered Cannabis Byproducts, the Licensed Cannabis Waste Handler must follow all rules and regulations applicable to the transportation and handling of cannabis. The cannabis waste shall be Tracked-and-Traced to its final resting place, and a non-hazardous waste manifest, bill of lading, or certified weight ticket issued upon disposal.

Cannabis waste on the licensed premises will be secured in a receptacle or area that is restricted to the licensee, its employees, or an authorized waste hauler, as noted below.

Embarc will report all cannabis waste activities, up to and including disposal, into the track and trace system. If cannabis goods are being destroyed or disposed of, Embarc will record in the track and trace system the following additional information: (A) The name of the employee performing the destruction or disposal; (B) The reason for destruction and disposal; and (C) The entity disposing of the cannabis waste.

Any cannabis product determined unfit or rejected will be immediately segregated and destroyed by authorized employees only. These employees will adhere to Embarc's standard operating procedures for the safe disposal of all unfit or rejected cannabis products.

Embarc will ensure that all cannabis products that have been subjected to improper conditions are not salvaged but, instead, are properly disposed of in accordance with the rules set forth by all applicable state and local laws, regulations, ordinances, and other requirements. Such improper conditions may include, but are not limited to, extremes in temperature, humidity, smoke, fumes, pressure, age, or radiation. Any cannabis product that fails to meet the needs or preferences of Embarc's customers will likewise be disposed of properly and compliantly. Our General Manager will determine and document the need for disposal of excess, unfit, or rejected inventory. Unfit or rejected cannabis will be rendered unusable in the same manner as other cannabis waste as detailed above.

Embarc will remove recalled product from its website and shelves and place the affected batch in a quarantine state in the locked inventory room. All recalled products that are intended to be destroyed will be quarantined for a minimum of 72 hours. Embarc will affix to the recalled products any bills of lading, shipping manifests, or other similar documents with product information and weight. Embarc acknowledges the product held in quarantine shall be subject to auditing by the Department of Public Health. Following the quarantine period, Embarc will render the recalled cannabis product unusable and unrecognizable and dispose of it in accordance with our SOPs under video surveillance.

Embarc will use the track-and-trace database and on-site documentation to ensure that the recalled cannabis products intended for destruction are identified, weighed, and tracked while on the licensed premises and when disposed of in accordance with this regulation. Embarc will enter the following details into the track-and-trace database: the weight and count of the product; the reason for destruction; and, the date the quarantine period will begin.

Embarc's waste management efforts also contemplate the importance of recycling, both to ensure items such as used vape pens are not readily accessible in trash cans and because it is the appropriate thing to do environmentally. As part of our waste management efforts, Embarc will maintain a locked, secured recycling vessel in the secure storage area to facilitate our vape pen recycling program. Customers are encouraged to recycle their old vaporizers and are provided a discount on their next purchase for every vaporizer they recycle with Embarc, whether it was purchased at Embarc or from another dispensary.

Vendor in Charge of Disposal

Embarc has identified Gaiaca as its waste management partner for Chico. Gaiaca is CESCO, CAC, CMC, and CDPH certified and is a leader in cannabis waste disposal as the nation's first fully licensed, compliant cannabis waste management company. Embarc has partnered with Gaiaca to develop a robust waste management plan that exceeds state and local regulations, which is briefly summarized here and detailed in our comprehensive waste management plan.

Gaiaca is a highly integrated cannabis waste management provider with certifications as both a Green Business and Small Business Enterprise (SBE). As the nation's first fully licensed cannabis waste management company, Gaiaca's primary mission is to provide licensed cannabis operators with a compliant yet sustainable solution for their regulated cannabis waste.

Since 2016, Gaiaca has been the preeminent leader in the cannabis waste space, with an expanding footprint in California, Nevada, Arizona, Michigan, Florida, and New York. Their policies and goals reflect conscientious efforts to be environmentally correct, and they are in good standing with the Bureau of Cannabis Control (BCC), the California Department of Food and Agriculture (CDFA), the California Department of Public Health (CDPH), the Environmental Protection Agency (EPA), the California Occupational Safety and Health Administration (Cal-OSHA), the Department of Toxic Substances Control (DTSC), and CalRecycle.

Gaiaca will service our facility a minimum of 1x per week, or on a schedule developed based on the amount of waste generated onsite to ensure effective waste management. Embarc staff and management will adjust its contract with Gaiaca to ensure the proper removal and storage of all cannabis waste. Prior to final disposal, Gaiaca will ensure all cannabis goods have been destroyed, including removing the product from any packaging and rendering it unrecognizable and unusable as prescribed by the Bureau of Cannabis Control Section 5054.

4. The application should include the following information on the proposed location:

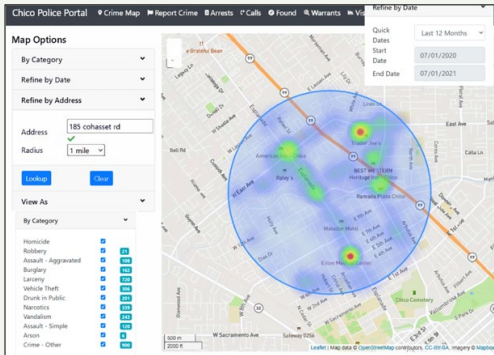
OVERVIEW

As experienced cannabis operators partnered with locals with deep ties in Chico, we believe strongly in the importance of creating a thriving retail location for the community. As such, we have secured property at 185 Cohasset Road, an appropriate location with ample parking ideally situated on over a quarter of an acre. This 2,280sq ft standalone building was constructed in 1964 and is properly zoned under the Chico Municipal Code as CC (Community Commercial). It is situated well outside the buffer zones for Middle and High Schools and all other sensitive uses including Schools, Day Cares, and Youth Centers, as set forth in the Chico Municipal Code, as well as all sensitive uses listed on the City's "Commercial Cannabis RETAILER-STOREFRONT Draft Map" and "State Identified Sensitive Use – Drafts."

Our team's practical experience entitling dozens of cannabis operations has proven that site selection is critical to the viability of a proposed cannabis business. As such, prior to finalizing selection, we undertake an extensive diligence process led by our local owner, executive leadership team, and with feedback from Community Advisory Board members and other vital community stakeholders. As part of that process, our team conducted diligence on more than two dozen potential properties, ultimately securing 185 Cohasset Road for the following reasons:

- The parcel is significantly buffered from sensitive uses
- The property boasts the greatest number of dedicated parking spaces of any compliant property

- The site is ideally situated in a commercial corridor
- The site shares a rear boundary with a commercial parking lot for a commercial complex ensuring no neighbors will be disturbed
- The other three sides are abutted by commercial uses and all neighboring uses are compatible
- It is vacant, ensuring we are not displacing a business already burdened by COVID-19



Additionally, in selecting our location, we conducted preliminary research to understand crime rates by neighborhood. As depicted below, there have been no crime reports within 300 ft of 185 Cohasset Road in the last twelve months. Unfortunately, there have been many reported crimes within a mile radius. As such, we have developed our Security, Safety and Neighborhood Compatibility Plans ensuring Embarc Chico contributes to the enhanced safety, security and overall quality of life for our neighbors.

A. Physical address and a detailed description of the proposed location, including the overall property, building and interior floor plan.

Physical Address and Detailed Description of the Proposed Location

Physical Address: 185 Cohasset Road, Chico, CA 95926	Size: Lot -- 0.43 AC /18,770 LSFT Building – 2,280 sq ft
APN: Two parcels - 006-180-040-000 // 006-180-047-000	Date Constructed: 1964
Zone: Community Commercial (CC)	Available Parking: 32 dedicated parking spaces
Designation: Commercial Mixed Use (CMU)	Closest Sensitive Use: Bidwell Academy for Young Children, approx. 2,022 ft parcel to parcel
Council District: District 1	Property Owner: Ampak Living Trust

Overall Property

185 Cohasset Road is a standalone building, ideally situated on a commercial corridor to downtown Chico, on a quarter acre lot. It fully complies with Ch 19.75.120 of the Chico Municipal Code and:

- Is in an approved land use district pursuant to Division IV of Title 19
- Is in the allowable Community Commercial Zoning Designation
- Is not closer than one thousand feet from a school providing instruction in any grades six (6) through twelve (12) and is not closer than six hundred feet from a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities per, Sec 19.75.120.B.1.a.
- Conforms with the City’s General Plan, any applicable specific plans, and design requirements.
- Complies with all applicable zoning and related development standards.
- Is constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.
- Is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development.

- 3 **DRIVER LOBBY:** Distributors, currency transporters, service vendors and delivery drivers will access the premises through the vendor lobby. A service window connects this receiving and waiting area from the delivery processing office which serves the reception needs for persons entering here. Staff will have electronic credentials granting access here while third parties will request access by way of a doorbell and intercom. Staff in the delivery processing office will be equipped with remote control over the lobby door to grant access to authorized third parties. Notwithstanding needs to access the break room and restroom, delivery drivers will be restricted to the vendor and driver lobby. As regulations require delivery drivers to return to the premises if not managing orders for more than thirty minutes, a premise should have a staging area for these employees that does not grant these employees access to sensitive areas.
- 4 **DELIVERY DISPATCH:** Staff assigned here will manage online and phone orders for delivery and express pickup. Like their counterparts in the retail area, staff assigned here will not access the secure product storage room to fulfill their orders. A pass-through connecting this room to the product storage room will be used to move goods from the inventory manager to the delivery processing room. Locking cabinets in this room will be used to temporarily store exit-packaged goods awaiting pickup by the assigned delivery driver. Delivery drivers will not have access to this room and will receive orders and remit collected fees through the service window connecting this room to the driver lobby.
- 5 **PRODUCT STORAGE:** Secure Product Storage & Vault Room will be designed of hardened construction, heavily alarmed and surveilled and with an independent solid lid. An inventory manager will be assigned here and will be responsible for fulfilling retail area and delivery orders through door redundant pass-through devices. This model maximizes accountability by limiting the product storage area access to a single role in the business operations.
- 6 **COMMON STAFF AREAS:** The break room, staff corridor and restrooms will be accessible to all employees. To maximize accountability and to reduce opportunities for theft and diversion, employees assigned to storefront retail operations will not have electronic access credentials to the delivery side of the house. Similarly, those assigned to delivery processing will not have electronic access credentials to the retail area.
- 7 **MANAGEMENT OFFICE:** The management office is situated in a manner that allows the general manager to conduct employment interviews and to manage other third parties in a controlled manner. Applicants and vendors with appointments will be received in the vendor lobby and escorted through benign areas to the management office; benign areas include break room, passage, and restroom. Nowhere along this path of travel will third parties have access to unsecured product or currency. The management office also contains the vault and records. Access to the Management is limited to those with management level electronic access credentials. The walls to the office are reinforced including a solid lid.

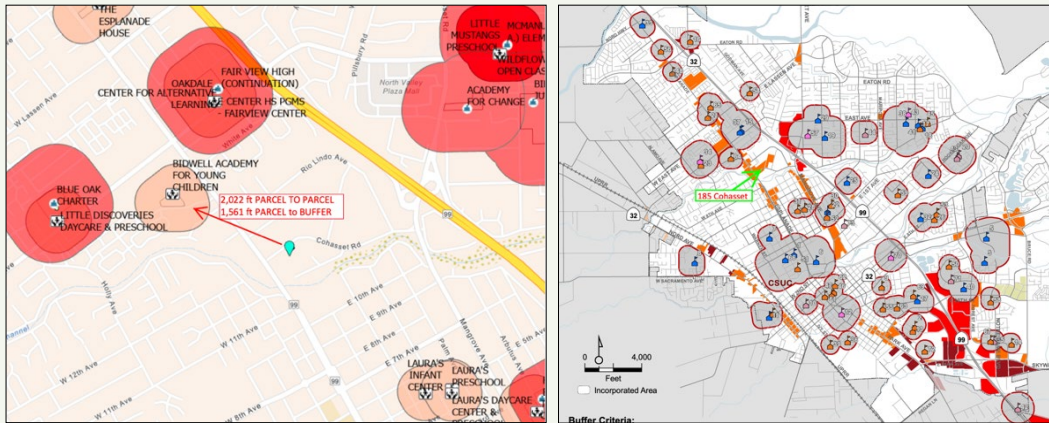
B. Description of all known nearby State and local sensitive use areas. The cannabis business must have the appropriate zoning and meet all the locational requirements as described in CMC Title 19.75.

Our location at 185 Cohasset Road is compliantly zoned Community Commercial (CC) and exceeds all sensitive use requirements as it is appropriately located almost half a mile from the nearest Sensitive Use.

As highlighted previously, our location is not closer than one thousand feet from a school providing instruction in any grades six (6) through twelve (12) and is not closer than six hundred feet from a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities per, Sec 19.75.120.B.1.a. The distance measured is the horizontal distance measured in a straight line from the property line of the sensitive receptor to the closest property line of the lot on which the commercial cannabis business is located, without regard to intervening structures.

The following contemplates the five sensitive uses in closest proximity to Embarc Chico's location:

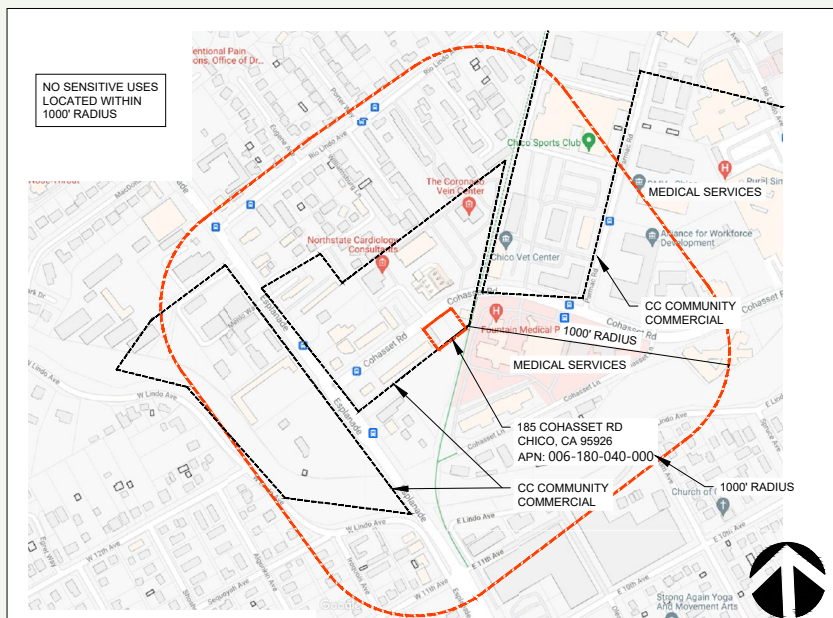
- Bidwell Academy for Young Children: ~2,022 ft. from proposed location
- Oakdale Center for Alternative Learning: ~3,000 ft. from proposed location
- Fair View High Continuation: ~3,200 ft. from proposed location
- Laura's Infant Center: ~4,000 feet from proposed location
- Blue Oak Charter: ~4,200 ft. from proposed location



C. Proof of ownership, lease agreement, or a “Letter of Intent” to lease.

Per the City's Application Procedures & Guidelines for a Cannabis Business Permit, please see PDF File #6.

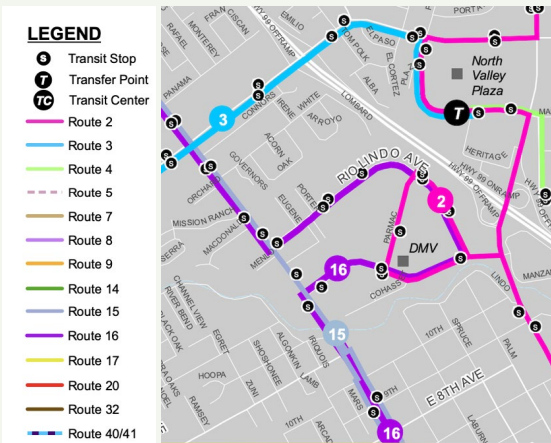
D. Vicinity Map



E. Photographs of existing site and buildings on the property.



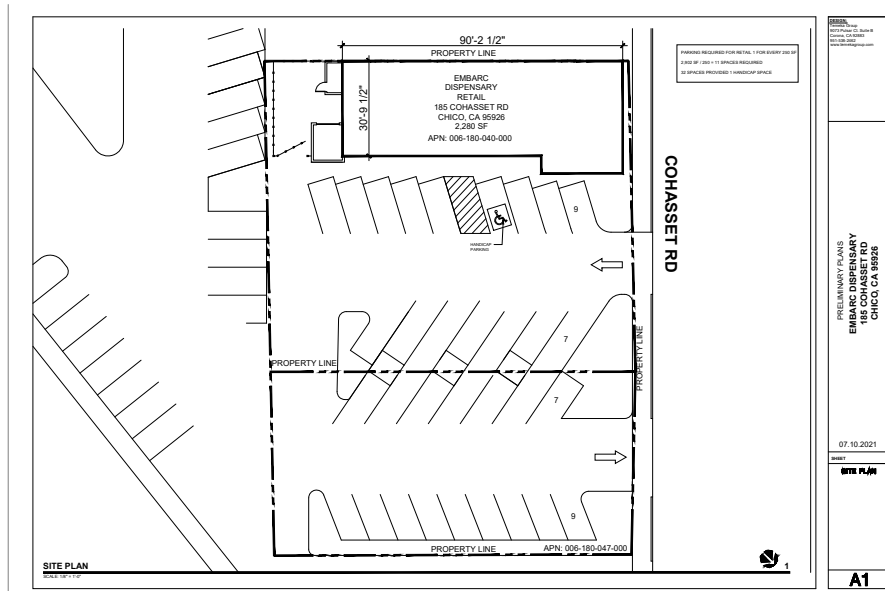
F. Evidence that the location has access to public transportation for employees or customers.



As depicted in the accompanying image, 185 Cohasset Road is conveniently located along Chico's B-Line Transit Route (Butte Regional Transit), providing ample access to public transportation for employees and customers.

- Within approximately 100 feet of our storefront, there are two B-Line transit stops for Routes 2 and 16 available.
- Within approximately 1,000 ft of our storefront, there are ten B-Line transit stops for Routes 2, 15, and 16 available.
- Within approximately 0.5 miles of our storefront, B-Line Transit Routes 3 and 4 are also available.

G. Site diagram



The site diagram includes the location and dimensions of all buildings and structures – including square footage; the location of all parking areas and driveways and means of ingress and egress to the property; and uses for all buildings and structures indicated on the site plan. There are no exterior alterations being proposed, only exterior repairs.



**CITY OF CHICO
ZONING VERIFICATION FOR
COMMERCIAL CANNABIS STOREFRONT RETAILER**



A Zoning Verification (ZV) must be obtained from the Community Development Department as part of the selection process. The ZV will verify if the submitted site is eligible for commercial cannabis as outlined in Title 19 of the Chico Municipal Code. All locations shall be subject to a ZV to confirm that the proposed location is properly zoned and meets all the minimum sensitive buffer requirements.

When requesting a ZV, the Applicant will need to show that it either owns the property, signed a lease agreement, or received a letter of "Intention to Lease" from the property owner. ZVs will not be completed over the counter in order to allow for research and review. The review process typically takes approximately ten (10) working days. The ZV cost \$156 and payment is due at the time of application submission.

Important Disclaimer: While this ZV application is part of the process for applying for a Commercial Cannabis Permit, filing of this ZV for and issuance of any determination or preliminary determination is not final until the formal issuance of a permit. The date of submission of a complete application for a Commercial Cannabis Permit shall serve as the date for determination of whether the subject property is properly zoned. Please be advised, however, that the location limitations set forth in CMC Section 19.75.120 may disqualify the proposed commercial cannabis business location as early as the time of submission of a complete Commercial Cannabis Permit application. See "Proximity to Sensitive Uses" below for more information.

Submittal Date: July 16, 2021	Trakit File #: CANNA21-00022
Applicant Name: Responsible and Compliant Retail Chico LLC (DBA: Embarc Chico) Primary Contact: Lauren Carpenter	Email Address: Lauren@goembarc.com
Phone Number: (916) 747-4643	
Mailing Address: 1201 K St., Suite 920, Sacramento, CA 95814	
Business Location (Address/APN#): 185 Cohasset Road (APN 006-180-040-000)	

Community Development Department Comments

Based on the information submitted by the applicant, the following comments are provided:

Land Use Analysis: The property identified as 185 COHASSET ROAD (APN 006-180-040-000) is zoned COMMUNITY COMMERCIAL (CC), with Airport Overflight Zone D (AOD) overlay, per the City's GIS Zoning database. The proposed use at this location is a 'Cannabis Storefront Retailer' land use, which is a **conditional use** subject to a use permit in the CC zoning district pursuant to Chico Municipal Code Section 19.44.020, Table 4-6.

Parking Requirement: The number of required off-street parking spaces for the proposed storefront retail cannabis business shall be consistent with the parking requirements for "Retail stores -- General Merchandise" per CMC Section 19.70.040, Table 5-4 and provide 1 space for each 250 sq.ft. of gross floor area and 1 space for each company vehicle.

The Permit application indicates that the subject parcel for the proposed Cannabis Retailer Storefront use has been developed with a 2,280 square foot commercial

building previously used as a restaurant. There are currently 32 vehicle parking spaces provided onsite. The building footprint is proposed to remain the same, resulting in a minimum off-street parking requirement of 9 spaces (not including company vehicles).

The proposed site appears to be able to accommodate the required number of off-street parking spaces. However, a detailed parking analysis will be conducted as part of the use permit process to verify conformance with the parking requirements.

Proximity to Sensitive Uses: A “sensitive use” includes a school providing instruction in kindergarten or any grades one (1) through twelve (12), a day care center, or a youth center. Per CMC Section 19.75.120, any Cannabis Storefront Retailer must be located at least:

- 1,000 feet from any property containing a school providing instruction in any grades six (6) through twelve (12)
- 600 feet from any property containing a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities

Only sensitive uses in existence at the time the City received a Commercial Cannabis Permit application from the proposed Storefront Retailer will be considered when determining whether the proposed commercial cannabis business location is properly zoned and meets all the minimum sensitive buffer requirements. A sensitive use is in existence at the time of the City’s receipt of a complete Commercial Cannabis Permit when: (a) the sensitive use is open and operating; (b) the sensitive use has a Chico City Business Tax Certificate for the specific location; or (c) the sensitive use has submitted a Business Tax Certification application to the City for the specific location and is undergoing construction or improvements.

Per CMC Section 19.75.120.B(2), distances specified in this section shall be the horizontal distance measured in a straight line from the property line of the sensitive receptor to the closest property line of the lot on which the commercial cannabis business is located, without regard to intervening structures.

Conclusion: **At the time of staff’s analysis of the location proposed for the Cannabis Storefront Retailer use, no known sensitive uses were identified within the minimum buffer distances of “1,000 feet from a school providing instruction in any grades six (6) through twelve (12), and 600 feet from a school providing instruction in kindergarten or any grades one (1) through five (5), a day care center, or a youth center with primary youth center activities.”**

Sensitive uses existing at the time of submission of a complete application may be identified through all applicable hearing and appeals processes, and if a sensitive use is determined to have been present prior to the date of application, the application will be deemed disqualified from siting at such location.

Regulations and Requirements:

The proposed Storefront Retailer business is subject to all applicable State, County, Chico Municipal Code, and local regulations. Below is a summary of the general and use-specific operating standards and requirements for a Commercial Cannabis Storefront Retailer use from Chico Municipal Code Sections 5.42 and 19.75. **PLEASE REVIEW BOTH ORDINANCES IN THEIR ENTIRETY TO ENSURE A COMPLETE UNDERSTANDING OF THE CITY OF CHICO’S COMMERCIAL CANNABIS RULES AND REGULATIONS.** You will be held to the standards as stated in the Chico Municipal Code. The proposed commercial cannabis use is subject to any future amendments to the City’s Municipal Code.

Per the City’s Municipal Code (Section 19.75.130), all commercial cannabis uses shall be operated in compliance with the following general standards:

- A. Permit Required:** All commercial cannabis businesses shall obtain and maintain a Commercial Cannabis Permit issued by the City of Chico pursuant to Title 5.42.

- B. Compliance with City, Local and State Laws.** All commercial cannabis businesses shall comply with the standards set by State law, regulations and policies, and all city codes and resolutions, as well as any applicable requirements of the County of Butte.
- C. Access Limited.** For all commercial cannabis businesses, the general public is only allowed to access those areas of the premises which are identified in the site plan included with the Commercial Cannabis Permit as being open to public access. Only agents, applicants, managers, employees, and volunteers of the commercial cannabis permittee and agents or employees of the City, or other governmental agency are allowed in non-public access areas.
- D. Hours of Operation:**
- a. Retailer-Storefront and Retailer-Delivery businesses may operate no earlier than 8:00 a.m. and no later than 9:00 p.m., unless otherwise more restrictive hours are stated in a Use Permit for such location, or unless zoning regulations specify more restrictive hours.
 - b. Manufacturers, distributors and testing laboratories may only accept commercial traffic to and from the premises between 8:00 a.m. and 7:00 p.m., unless zoning regulations specify more restrictive hours.
- E. On-site Consumption Prohibited:** Cannabis shall not be consumed by anyone on the premises in any form at any commercial cannabis business, unless explicitly authorized by a City ordinance, resolution, rule, regulation and/or pursuant to explicit terms of a Commercial Cannabis Permit, or City-approved Conditional Use Permit or Development Agreement.
- F. Visibility:** No manufacturing process, testing methodology, storage, or loading/unloading cannabis or cannabis products, shall be visible from the exterior of any premises issued a Commercial Cannabis Permit. No cannabis or cannabis products shall be visible on part of any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- G. Inventory Tracking:** Each commercial cannabis business shall have in place and at all times of operation of the business operate a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the City Manager or designee prior to being used by the permittee and be the same system as specified in their commercial cannabis business permit.
- H. Compliance with California Law:** All cannabis and cannabis products sold, tested, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State of California and local regulations. All activities related to the purchase, sales, delivery, distribution, cultivation, testing, and manufacture of cannabis or cannabis products shall be conducted in conformity with state law.
- I. Contact Information:** Each commercial cannabis business shall provide the City Manager with the name, telephone number (both landline and mobile) of an on-site manager or owner to whom emergency notice may be provided at any hour of the day.
- J. Signage and Notices:**
- a. In addition to the requirements otherwise set forth in this section, or as a term or condition imposed in a Use Permit, business identification signage for a commercial cannabis business shall conform to the requirements of state law and the City of Chico City Code, including, but not limited to, the requirements for a City sign permit, or applicable zoning laws regulating signs.
 - b. Each commercial cannabis business premises shall be visibly posted with clear and legible notices indoors indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.
- K. Age Restrictions:**

- a. Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business except as allowed under California law.
- b. Persons under the age of twenty-one (21) years shall not be allowed to serve as a driver for a delivery service, except as allowed under California law pertaining to sales of cannabis for medicinal use.
- c. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.

L. Odor Control.

- a. Odor control devices and techniques shall be incorporated as needed in all commercial cannabis businesses to ensure that odors from cannabis are not detectable off-site.
- b. Commercial cannabis businesses shall provide a sufficient odor control devices and techniques, including but not limited to an odor absorbing ventilation and exhaust system utilizing air scrubbers or charcoal filtration systems, so that odor generated inside the commercial cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, at any adjoining use of the property not part of the commercial cannabis premises, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business.
- c. Commercial cannabis businesses shall install and maintain the following equipment, or other equipment which the City Engineer or Public Works Director or Building Official determines is a more effective method or technology, to address such odor control:
 - i. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
 - ii. An air system that creates negative air pressure between the commercial cannabis business's interior and exterior, so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.
- d. All exhaust ventilation equipment is required to be appropriate for the use involved and must comply with the California Fire and Mechanical codes.

M. Display of Permit and City Business Tax Certificate. The original copy of the Commercial Cannabis Permit issued by the City pursuant to this Chapter, the City issued business license, and the state-issued Seller's Permit, shall be posted inside the commercial cannabis business in a location readily-visible to any City, County or State employee, official, or agent authorized to enforce the City's Code, or applicable cannabis-related laws.

N. Loitering Prohibited. The permittee of a commercial cannabis business shall prohibit loitering by persons outside on the premises, and is required to enforce same within its premises and adjacent public areas, including cooperating with the City's law enforcement agency dispatched to enforce same. The placement and use of no loitering signage shall be included as part of any application submittal, and depicted on a business or operational plan.

O. Permits and other Approvals. Prior to the operation of a commercial cannabis business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits and approvals from the relevant City or County department or division which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

P. Adherence to Operating Procedures. Permittees shall adhere to all applicable operating procedures, including those submitted as part of the initial application process, and pursuant to those established in applicable State of California laws, regulations, and policies.

Q. Compliance with Disability Regulations. This Chapter does not exempt a commercial cannabis business from complying with all applicable local, State and federal laws and regulations pertaining to persons with disabilities.

R. Non-Discrimination. No commercial cannabis business may discriminate or exclude patrons in violation of local, State and federal laws and regulations.

- S. Contact Information.** Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide this information to all businesses and residences located within 300 feet of the commercial cannabis business.
- T. Coordination Meetings.** The owner, manager, and community relations representative from each commercial cannabis business holding a Commercial Cannabis Permit shall, if requested by the City Manager or designee, attend a quarterly meeting with the interested parties to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter.
- U. Security Plan:** Each business shall maintain on file with the City a security plan.
- V. Restriction on Alcohol and Tobacco Sales, Dispensing or Consumption:** No person shall cause, allow, or permit the sale, dispensing, or consumption of alcoholic beverages or tobacco products on or about the premises of a commercial cannabis business, except as allowed under state law.
- W. Restriction of On-site on Consumption:** No person shall cause, allow, or permit the consumption of cannabis on-site of any commercial cannabis business.

Per the City's Municipal Code (Section 19.75.140), Storefront Retailer businesses which sell commercial cannabis as a component of the use shall be operated in compliance with the following use-specific standards:

- A. On-site Supervision:** All commercial cannabis storefront retailers shall have a manager on the premises at all times during hours of operation.
- B. Delivery Services.** Storefront retailers also providing delivery shall comply with the operational requirements pertaining to Retailer – Delivery Only businesses in Section 19.75.150.
- C. Site Access.** Entrances into the retailer storefront shall be controlled at all times with either security personnel or electronic/mechanical entry system. Adult use storefront retailers without medicinal cannabis sales shall verify the age of all customers to ensure persons under the age of 21 are not permitted on the premises. Adult use medicinal sales storefront retailers shall verify the age and possession of valid doctor's recommendation of all customers to ensure persons under the age of 18 are not permitted on the premises.
- D. Medicinal Cannabis.**
 - a. Commercial cannabis storefront retailers selling medicinal cannabis shall verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation;
 - b. Verify the identity and age of the qualified patient, primary caregiver, or customer receiving cannabis or cannabis products from the delivery only retailer; and
 - c. If a medicinal cannabis transaction,
 - i. Verify the validity of the qualified patient's recommendation from a physician to use cannabis for medicinal purposes or primary caregiver's status as a primary caregiver for the particular qualified patient, and
 - ii. Maintain a copy of the physician recommendation or Identification Card, as described in Health and Safety Code Sections 11362.71 through 11362.77, as may be amended from time to time, at its permitted business location for a period of not less than seven (7) years.
- E. Physician Evaluations Prohibited:** No physician shall be allowed at any time to evaluate patients or customers for the issuance of a medicinal cannabis recommendation or medicinal cannabis identification card where applicable.
- F. Complimentary Promotions Prohibited.** A non-medicinal cannabis storefront retailer may not give away, or donate specific devices, contrivances, instruments, or paraphernalia necessary for consuming cannabis products, including, but not limited to, rolling papers and related tools, pipes, water pipes, and vaporizers. A storefront retailer may not give away samples or cannabis products free of charge.

G. Required Notifications. All cannabis storefront retailers shall notify qualified patients, primary caregivers, and customers (verbally or by written agreement) and by posting of a notice or notices conspicuously in at least 15-point type within the permitted premises that state the following:

- a. "The sale or diversion of cannabis or cannabis products without a permit issued by the City of Chico is a violation of State law and the Chico City Code."
- b. "Secondary sale, barter, or distribution of cannabis or cannabis products purchased from a permittee is a crime and can lead to arrest."
- c. "Patrons must not loiter in or near these premises and may not consume cannabis or cannabis products in the vicinity of this business or in any place not lawfully permitted. These premises and vicinity are monitored to ensure compliance."
- d. "Warning: the use of cannabis or cannabis products may impair a person's ability to drive a motor vehicle or operate heavy machinery."
- e. "CALIFORNIA PROP. 65 WARNING: Smoking of cannabis and cannabis-derived products will expose you and those in your immediate vicinity to cannabis smoke. Cannabis smoke is known by the State of California to cause cancer."

H. Location of Products. All cannabis concentrate inhaled products, including but not limited to, dabs, shatter, budder, wax, and butane hash oil, shall be stored behind the retail counter and out of the reach of customers at all times except when being handled by an employee during a sales transaction.

I. Added Artificial Flavor Prohibited. Retailers shall not sell cannabis products which contain an added characterizing flavor. For purposes of this Chapter, "characterizing flavor" means a taste or aroma, other than the taste or aroma of cannabis, imparted either prior to or during consumption. This includes, but is not limited to, tastes or aromas relating to food or drink of any sort; menthol; mint; wintergreen; fruit; chocolate; vanilla; honey; candy; cocoa; dessert; alcoholic beverages; herbs; or spices. Flavor agents consisting of terpenes of cannabis shall not be considered an added characterizing flavor. Such prohibition shall not apply to cannabis products which are manufactured as edible or topical products.

J. Educational Materials. A cannabis storefront retailer shall provide written educational materials to all customers:

- a. Regarding each product sold, with information regarding the name and type of product, instructions for use, and expected effects.
- b. Regarding all edible cannabis products and cannabis concentrate products sold to a customer, which shall include information on safe storage and use of the product, warnings against child access and exposure to the product, and warnings of potential side effects concerning brain development of individuals under the age of twenty-five years and potential harm to pregnant women.

K. Training Required: A cannabis storefront retailer shall require all employees who interact with public customers, as well as all management staff, to complete training to ensure competency of employees for their assigned functions within the first year of the retailers' first year of operation, and within one year of each employee's hire date thereafter. The retailer shall maintain records showing completion of each employee's training for a period of two years and provide such records to the City Manager or his/her designee upon request.

Failure to comply with any requirement imposed by the provisions of the Chico Municipal Code (or successor provision or provisions), including, but not limited to, any rule, regulation, condition or standard, or any term or condition imposed on a Commercial Cannabis Permit or entitlements or Use Permit, or any provision of State law are grounds for revocation of a Commercial Cannabis Permit. Violation of the Chico Municipal Code may be prosecuted as a citation or misdemeanor.

* * * * *

Comments Provided by: KELLY MURPHY, PLANNER, 879-6535, Kelly.murphy@chicoca.gov

Date: AUGUST 27, 2021

Distribution of Completed Review:

Applicant

Community Development Department (File, Electronic)

City Manager's Office